

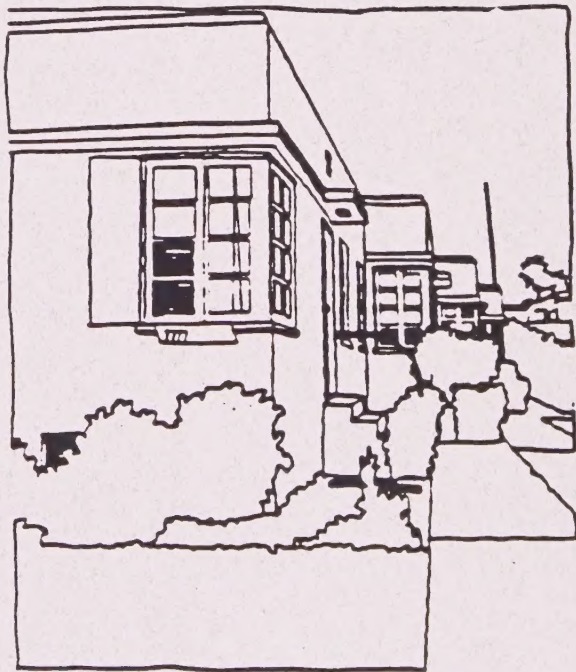
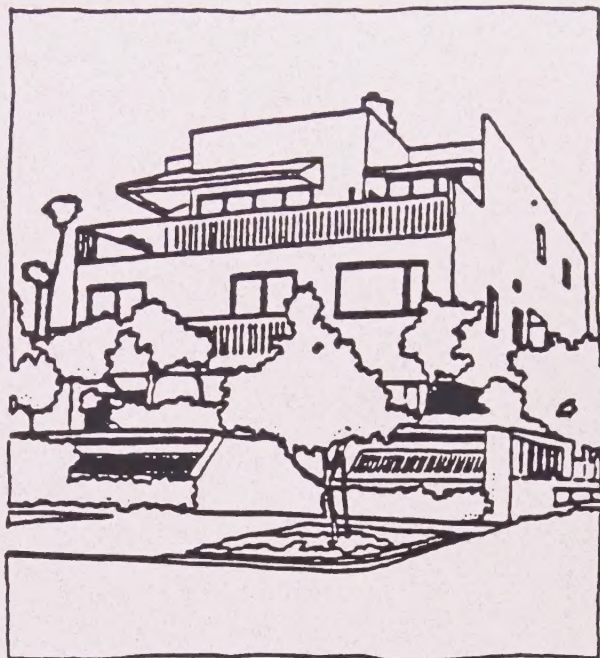
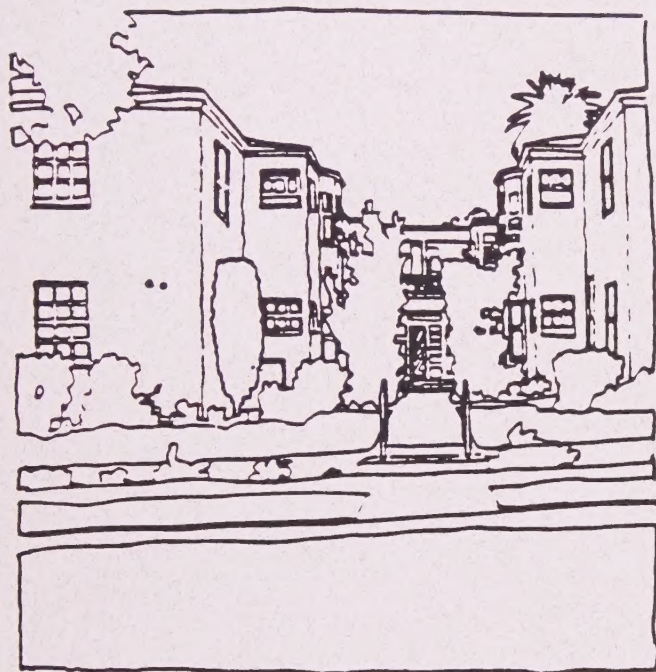
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# Housing Element

## City of Santa Monica



April 1993



M E M O R A N D U M

PROGRAM & POLICY DEVELOPMENT DIVISION

LAND USE AND TRANSPORTATION MANAGEMENT DEPARTMENT  
CITY OF SANTA MONICA

DATE: April 15, 1993  
TO: Interested Persons  
FROM: Tad Read, Associate Planner  
SUBJECT: Draft Housing Element Update

Attached for your information is a copy of the revised Draft Housing Element update.

The Housing Element evaluates the City's housing needs and establishes programs to address these needs. The Draft Housing Element for the 1989-1994 planning period was previously reviewed and approved by the City Council in April, 1990. Since that time, changes have been made to the document in response to comments from the State Department of Housing and Community Development (HCD). Therefore, a new EIR has been prepared in the revised Housing Element. Copies of the EIR are on reference at all of the City's public libraries and are also available for sale at the public counter, Room 111, City Hall.

If you have questions about the Housing Element, please call me at (310) 458-8585.

w/HEpubme2

43 004 (4)

*Revised Draft*


HOUSING ELEMENT OF THE GENERAL PLAN  
CITY OF SANTA MONICA

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and

The City of Santa Monica  
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April 1993



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## SECTION 1

### INTRODUCTION

The City of Santa Monica is a diverse community. The variety of socioeconomic, racial, and cultural backgrounds, and the neighborhoods that support them, are among the most valued assets of the community. The housing element of the General Plan, which is one of the seven state-mandated elements, profiles the demographic composition of the city, and outlines the policies and programs which the city will undertake to ensure that the housing needs of existing residents and those expected to move into the community over the next 5 years are met.

The city's current housing element established guidelines for meeting housing needs, and the housing programs authorized by the element have provided assistance to many residents. However, Santa Monica is not static and housing programs must change to meet the changing needs of the community. The updated housing element, with its revised goals and objectives, will provide an implementation strategy to allow the city to continue to effectively meet the needs of all its residents.

#### A. STATUTORY AUTHORITY

Sections 65580 to 65589 of the Government Code of the State of California contain the legislative mandate for the housing element of the General Plan. The legislation requires that each city provide a detailed program to address the housing needs of

its current residents. Specifically, the legislation requires the following:

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, and quantified objectives and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobilehomes and shall make adequate provision for the existing and projected needs of all economic segments of the community.

The requirements of state law pertaining to the content of the housing element are more detailed than those for any other state-mandated element. Table 1 lists the requirements of state law and identifies the pages where the relevant discussion may be found.

**TABLE 1**  
**GUIDE TO COMPLIANCE WITH STATE LAW**

<u>Section 65583</u>	<u>Requirement</u>	<u>Page</u>
(a) Needs Assessment and Inventory of Constraints and Resources		
(1)	Population and employment trends	9-17; 26-28
(2)	Household and housing stock characteristics	18-22; 29-40
(3)	Land inventory and analysis of infrastructure	42-45
(4)	Governmental constraints	57-94
(5)	Nongovernmental constraints	52-57
(6)	Special housing needs	
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	+ Overcrowding	20
	+ Farm workers	28
	+ Elderly	21
	+ Handicapped	16
	+ Homeless	23



TABLE 1 (continued)

(7)	Energy conservation	95-97
(8)	Preservation of Assisted Housing	41-42
(b)	Statement of Goals, Quantified Objectives, and Policies	99-154
(1)	Preservation of Assisted Housing	N/A*
(c)	Five-Year Housing Program	
(1)	Adequate sites	105-111
(2)	Assist development of affordable housing	111-125
(3)	Remove governmental constraints	105-125
(4)	Conserve existing housing stock	125-136
(5)	Promote equal access to housing	138-140
(6)	Preservation of Assisted Housing	N/A*
(d)	Public Participation	147-149
<u>Section 65584</u>		
(1)	Regional Housing Allocation Model (SCAG)	46-51

\*Not applicable. The City has no publicly assisted low income units eligible to convert to non-low-income housing during the 1989-1999 planning period.

## **B. ORGANIZATION OF THIS ELEMENT**

The housing element follows the organization prescribed by state law. Section 2 contains an assessment of housing needs and an inventory of resources. Section 3 discusses potential constraints on housing production. Section 4 describes energy conservation programs applicable to residential development. Section 5 summarizes the city's housing needs, and Section 6 presents the goals, quantified objectives, policies, and programs that the city has chosen to meet the identified needs. The final section summarizes the expected accomplishments from implementation of the 5-year housing program. There is also an appendix listing resources consulted and agencies and individuals contacted in the course of preparing this element.

An Environmental Impact Report has been prepared to evaluate the potential impacts of implementation of the policies and programs contained in the housing element. It is a separate document and is not bound with the housing element.

## **C. RELATIONSHIP TO OTHER ELEMENTS**

The Land Use and Circulation Element (LUCE) of the General Plan will particularly affect the implementation of the housing element. The LUCE designates land for residential development and establishes permitted densities and intensity of development. The circulation portion of the element establishes policies for providing essential infrastructure to all housing that is developed. The policies contained in other elements of the

General Plan will affect the quality of life that residents enjoy--the amount and variety of open space, protection of natural and historic or cultural resources, acceptable noise levels in residential areas, and programs to ensure the safety of residents in the event of a natural or man-made disaster (e.g., earthquakes). The remaining elements of the General Plan have been consulted during the preparation of the housing element. The housing element has been reviewed for consistency with other General Plan elements. The policies and programs in this element reflect the policy direction contained in the rest of the General Plan.

#### **D. PUBLIC PARTICIPATION**

The City of Santa Monica encourages citizen input on all housing policy decisions. There has been public review of implementation of the previously adopted housing element. In addition, regularly scheduled review of some programs is a legal requirement. The federal Community Development Block Grant (CDBG), one of the major sources of funding for housing programs, is subject to annual review and public hearing, as is the redevelopment program. Other individual programs are subject to review from time to time as changes are needed in policy and implementation guidelines.

During the preparation of this element, public input has been actively encouraged. A community meeting was held on November 9, 1988, to explain the statutory requirements for the housing element and to solicit resident input on the housing problems and



issues facing the city. A summary of community comments is contained in Appendix A. In addition to this meeting, a publicly noticed study session was held before the Housing and Planning Commissions on March 29, 1989. An additional community meeting to review the draft housing element was held on May 24, 1989. Before it was approved by the City Council, the Housing Element was submitted to the Planning and Housing Commissions for review and comment.

All public meetings on the Housing Element Update were noticed to a wide cross section of the community. The City maintains a list of all active organizations, including tenant and homeowners associations, to which notices were sent. In addition, the meetings were noticed in the local newspaper, The Outlook, and through the City's Public Electronic Network (PEN), a computer system which makes notices and documents available to residents via computer modem. Finally, the Neighborhood Support Center--a non-profit organization created by the City of provide technical assistance to established neighborhood groups--assisted City staff in contacting representatives of neighborhood groups about the meetings.

Since April, 1989, when the City Council approved the Draft Housing Element pending final HCD approval, the revised Draft Housing Element has been made available to the public in December, 1991, and again in August, 1992, on the occasions of additional 45-day reviews by HCD. Prior to final adoption by the City Council, public hearings on the Draft Housing Element will again be conducted before the Planning Commission and City

Council. These hearings will be formally noticed in the local newspaper and through PEN, and notices will again be sent to all parties on the City's lists of interested persons and active organizations.

## SECTION 2

### HOUSING NEEDS AND RESOURCES

The housing needs of the City of Santa Monica are determined by the characteristics of the population (age, household size, income, physical disabilities, etc.) and the characteristics of the housing available to them (number of units, tenure, size, cost, etc.). The existing housing stock is rarely perfectly suited to all of the residents of the community, because life situations change and different types of housing are needed at different stages in our lives. This section explores the characteristics of the existing and projected population and housing stock in order to define the extent of unmet housing needs in the community.

The most comprehensive source of information about residents of Santa Monica and their housing is the decennial federal census. Some data from the 1990 Census is available and has been incorporated into this section, including population, housing unit, and household information. Where 1990 Census information such as income and employment data are not available, 1980 data have been used. Census information has been supplemented with data from other sources, including City records, the California Department of Finance, the Santa Monica Unified School District, and the County of Los Angeles.



## A. POPULATION

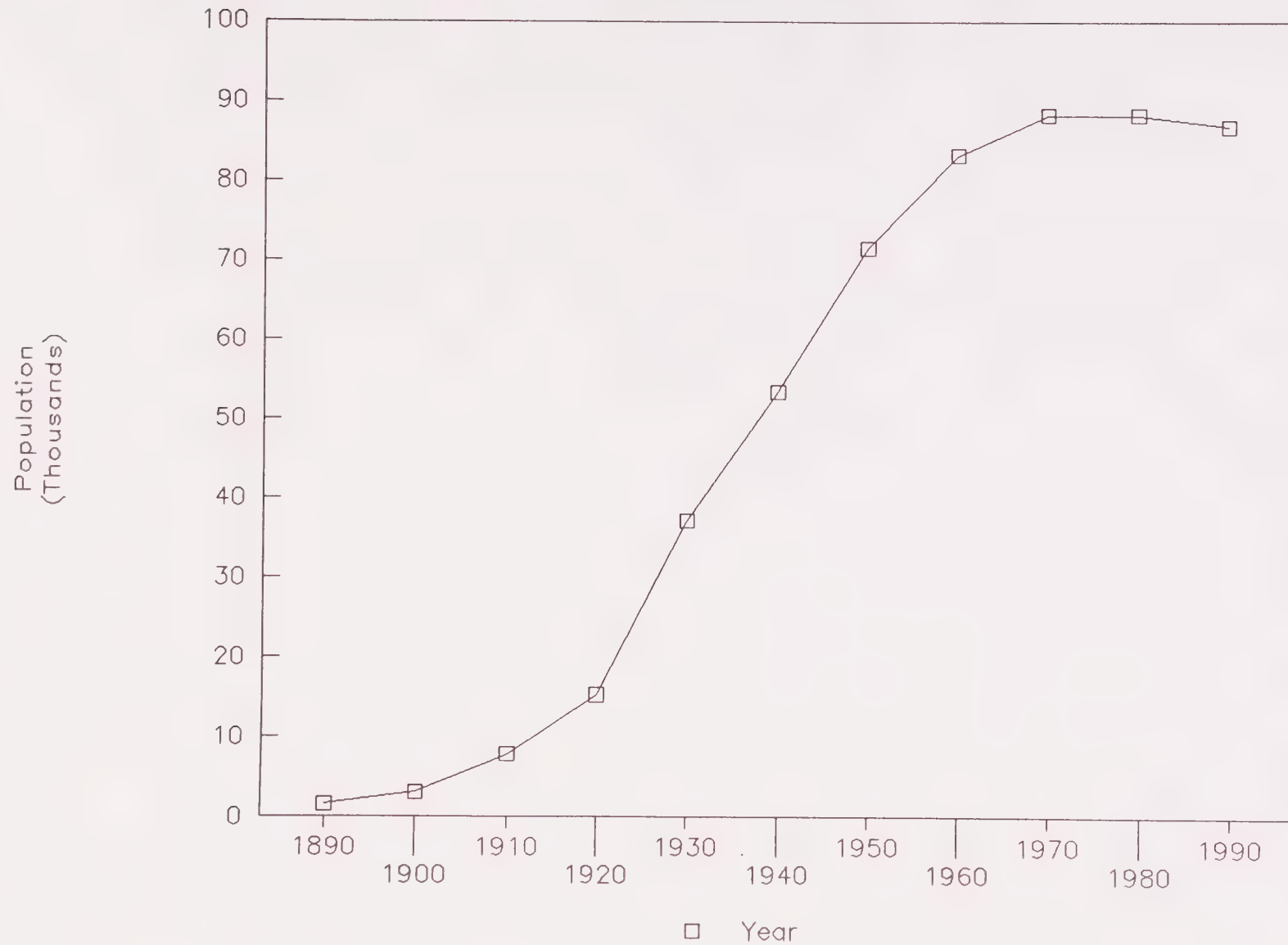
Table 2 and Graph 1 show the City's population growth since 1890. Since 1980, the City's population has actually decreased by 1.5 percent from 88,314 to 86,905. This decrease is largely attributable to a decline in average household size (see Section B below). Most developable land in Santa Monica was fully built out by the mid 1960's and growth since then has come as a result of recycling of lower intensity development to higher density and intensity uses.

In contrast, Los Angeles County grew by 18.5 percent (from 7,477,503 to 8,863,164 population) between 1980 and 1990, and is expected to continue this higher growth rate, largely because of the expected development of vacant land remaining in outlying areas, such as the Santa Clarita and Antelope valleys.

GRAPH 1

# Decennial Population Growth

Since 1890



**TABLE 2**  
**POPULATION GROWTH**  
1890-1990

<u>Year</u>	<u>Population</u>	<u>Percent Increase</u>
1890	1,580	--
1900	3,057	93.50
1910	7,847	156.70
1920	15,252	94.40
1930	37,146	143.50
1940	53,500	44.00
1950	71,595	33.80
1960	83,249	16.30
1970	88,289	6.05
1980	88,314	0.03
1990	86,905	-1.5

Sources: U.S Census, State of California Department of Finance,  
City Records.



## Age

Table 3 shows the age distribution of the city's population in 1980 and 1990. The trends during the 1980's were an increase in very young children (0-4), a substantial decline in the population between the ages of 5 and 24, an increase in the population between 25 and 54, a decline in the population between 55 and 74, and an increase in the senior population over 74.

Information from the Santa Monica-Malibu Unified School District contained in Table 4 indicates that overall enrollment has declined since 1980. Likewise, information from the social security office that serves Santa Monica indicates that they have experienced a decrease in the number of people living in the city who receive benefits. This could be the result of program changes rather than population changes, however.

The school enrollment information in Table 4 indicates an increase in the number of children in the grades kindergarten through second, possibly indicating that the recent school age population decline may not continue. This would be consistent with the experience of other jurisdictions--the children of the "baby boom" population are beginning to reach school age, and the ethnic make up of the community is changing with an increase in those that have higher birth rates. If this is the case, there is likely to be a demand for larger units with play space to accommodate families.

TABLE 3  
AGE CHARACTERISTICS

<u>Age Bracket</u>	<u>1980</u>	<u>1990</u>	<u>Percent Change</u>
0-4	3,196	4,048	+22.0
5-19	12,508	9,282	-26.0
20-24	8,501	4,885	-41.8
25-54	40,295	46,917	+16.5
55-64	9,280	7,422	-20.0
65-74	7,587	7,154	-6.16
75+	6,947	7,197	+5.0
Total		86,905	

Source: U.S. Census.

Recent changes to state law would permit people who work in the City of Santa Monica to enroll their children in Santa Monica schools. In the fall of 1991, 410 students have enrolled under the parent employment program.

**TABLE 4**  
**SCHOOL ENROLLMENTS BY GRADE**

<u>Grade</u>	<u>1980</u>	<u>1991</u>	<u>Percent Change</u>
K	593	820	+38.2
1	671	808	+20.4
2	653	738	+13.0
3	700	677	-3.2
4	818	705	-13.8
5	934	689	-26.2
6	929	688	-25.9
7	941	690	-26.6
8	946	686	-27.4
9	972	620	-36.2
10	980	699	-28.6
11	1,028	688	-33.0
12	894	640	-28.4
Continuation	273	114	-58.2
SDC	<u>314</u>	<u>260</u>	<u>-17.1</u>
Total	11,646	9,522	-18.2

Note: Three schools were closed between 1980 and 1991.

Source: Santa Monica-Malibu Unified School District,  
11/1/91.

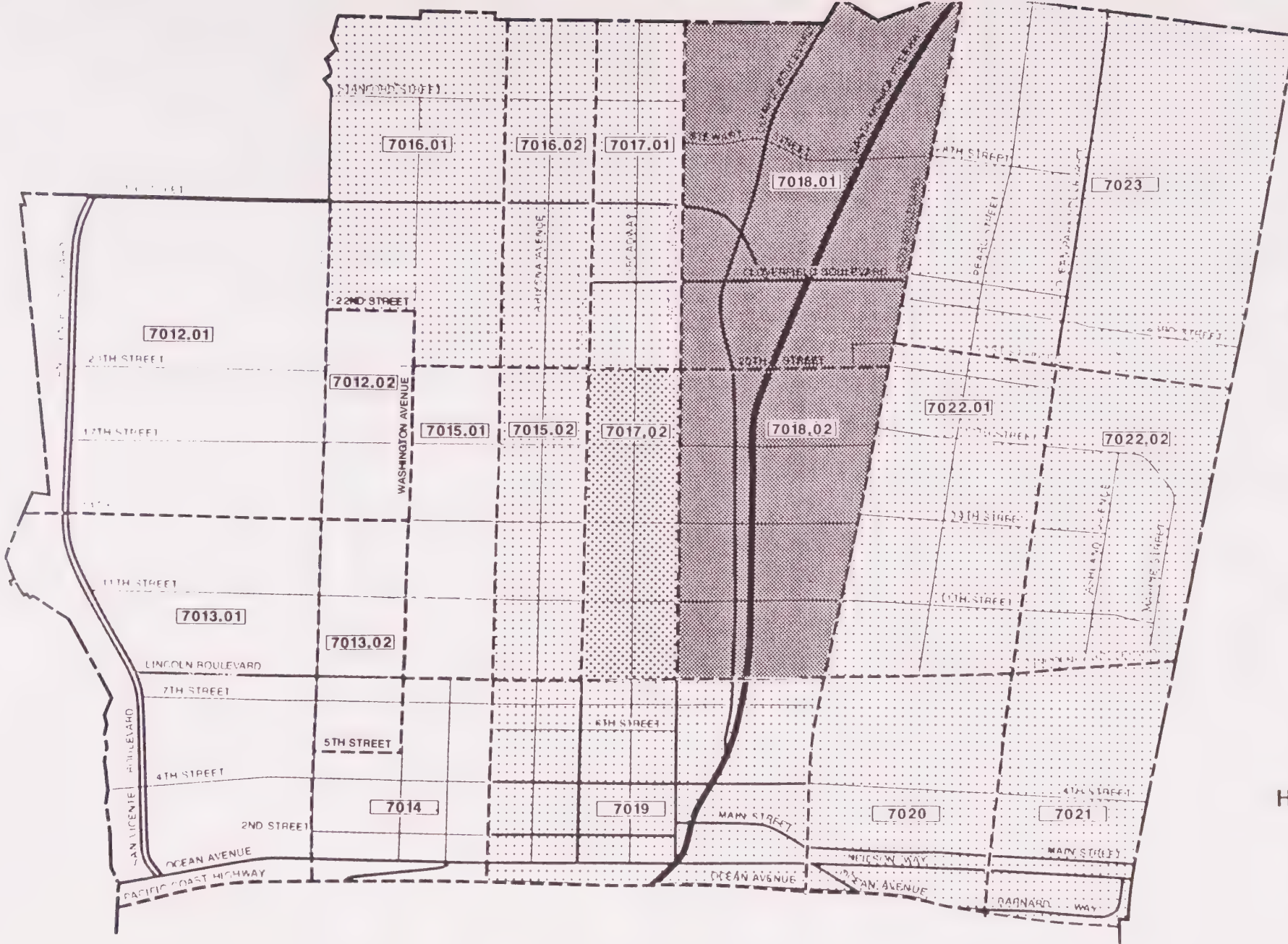


## Race and Ethnicity

The majority of the residents of Santa Monica in 1990 were white and not of Spanish origin, as shown in Table 5, although the proportion of minority residents increased somewhat between 1980 and 1990. Information from the Santa Monica-Malibu Unified School District contained in Table 6 indicates that minority enrollment in public schools is greater than the general population. That is, in 1990 minorities represented nearly 45 percent of the student population but only about 32 percent of the general population.

Exhibit 1 illustrates the spatial distribution of minority populations in 1990. Three census tracts had significant concentrations of minorities (i.e. over 30 percent), and in tracts 7018.01 and 7018.02, the "minorities" were in fact the majority. The minority concentration in these tracts is also reflected in school enrollments, indicating a continued need for fair housing programs in the community.

Of the households in Santa Monica, 7,793 or 17.37 percent were minority households in 1990. Only 25.16 percent of these minority households were owners and 74.9 percent were renters.



- Legend**
- LESS THAN 15% MINORITY POPULATION
  - 15-30% MINORITY POPULATION
  - 30-50% MINORITY POPULATION
  - ABOVE 50% MINORITY POPULATION

1990 Minority  
Population  
Concentrations  
Santa Monica  
Housing Element



Exhibit 1

TABLE 5  
RACE AND ETHNICITY

<u>Race/Ethnicity</u>	<u>1980</u>	<u>Percent</u>	1990	Percent
Asian	3,783	4.3	5,385	6.2
Black	3,492	3.9	3,732	4.3
White	68,435	77.5	65,184	75.0
Spanish Origin	11,485	13.0	12,210	14.0
Other	<u>1,119</u>	<u>1.3</u>	<u>394</u>	<u>.5</u>
Total	88,314	100.0	86,905	100.0

Source: 1980 and 1990 U.S. Census.



**TABLE 6**  
**SCHOOL ENROLLMENTS BY RACE**

<u>Race</u>	<u>Fall 1989</u>		<u>Fall 1990</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
American Indian/ Alaskan Native	25	0.3	28	.3
Asian or Pacific	651	7.2	670	7.2
Pacific Islander	16	.2	22	.2
Filipino	37	.4	36	.4
Black (not (Hispanic origin)	857	9.4	876	9.4
Hispanic	2,535	27.9	2,629	28.3
White (not Hispanic origin)	<u>4,975</u>	<u>54.6</u>	<u>5,028</u>	<u>54.2</u>
Total	9,096	100.0	9,289	100.0

Source: Santa Monica Unified School District.

### Disability Status

Statistics on the incidence and types of disabilities occurring in the population are not very good, even in the case of the U.S. Census, because handicaps which require modified housing are not separated from other disabilities (mental illness, emphysema, etc.) Based on the 1980 census data shown in Table 7, approximately 7 percent of the work age population of Santa Monica (ages 16 to 64) had a disability that hindered their working and/or mobility. Of the residents over age 64, some 13.1

percent reported a disability that handicapped their mobility. In addition, the State of California Department of Rehabilitation estimates that 15 percent of the work-age population within Los Angeles County are disabled. These people may need special housing with ramps instead of stairs, elevators for units with two or more stories, and modified bathrooms, kitchens, doorways, etc.

State law requires all new multi-family construction to be accessible to the handicapped, but older units built prior to 1989 are rarely handicapped accessible. Furthermore, not all new construction may have the range of modifications needed by specific individuals since there is an upper spending limit of \$740 per unit for modifications to ensure accessibility. It is expensive and not always possible to modify a unit after it is completed. Older units, particularly older multifamily structures, are very expensive to retrofit for disabled occupants because space is rarely available for elevator shafts, ramps, widened doorways, etc. In addition to changes to the units, the site itself may need modification to widen walkways and gates and install ramps instead of steps.

## B. HOUSEHOLDS

Although the characteristics of individuals are important to defining housing needs, the characteristics of households are more important. A household is defined as all the people occupying a dwelling unit, whether or not they are related. A single person living in an apartment is a household, just as a couple with two children is considered a household. Table 8 shows the changes in household composition between 1980 and 1990. There has been an increase in the number of households, but the average household size has decreased.

Group quarters include people living in institutions, such as nursing homes, college dormitories, and jails. The increase in group quarters since 1980 reflects increases in both specialized nursing facilities and emergency shelters for the homeless.

Santa Monica has a lower average household size than the countywide average of 2.82. In part, this is reflective of the higher than average percentage of elderly persons in the city, and the large number of students from UCLA, Pepperdine, and Santa Monica City College who choose to live in Santa Monica. It is also reflective of Santa Monica's lower rents enabling persons to live alone or with fewer roommates.

**TABLE 7**  
**DISABILITY STATUS OF NONINSTITUTIONAL PERSONS**

	Number	Percent
Male, 16-64 Years Old	29,992	
With Work Disability	2,172	7.2
Not in Labor Force	1,121	3.7
Prevented from Working	936	3.1
Female, 16-64 Years Old	31,915	
With Work Disability	2,323	7.3
Not in Labor Force	1,375	4.3
Prevented from Working	1,117	3.5
Persons, 16-64 Years Old	61,907	
With Public Transportation Disability	952	1.5
With Work Disability	4,495	7.3
Persons 65 Years and Over	13,140	
With Public Transportation Disability	1,733	13.2

Source: 1980 U.S. Census.

**TABLE 8**  
**HOUSEHOLD CHARACTERISTICS**

	<u>1980</u>	<u>1990</u>
Total Population	88,314	86,905
In Group Quarters	1,743	2,570
Total Households	43,944	44,860
Average Size	1.97	1.88
Percent Families*	44.5%	40.3
Percent Non-Family Households*	55.5%	59.7

Source: 1980 and 1990 U.S. Census.

\*A family householder is a householder living with one or more persons related to him or her by birth, marriage, or adoption. A non-family householder is a householder living alone with nonrelatives only.

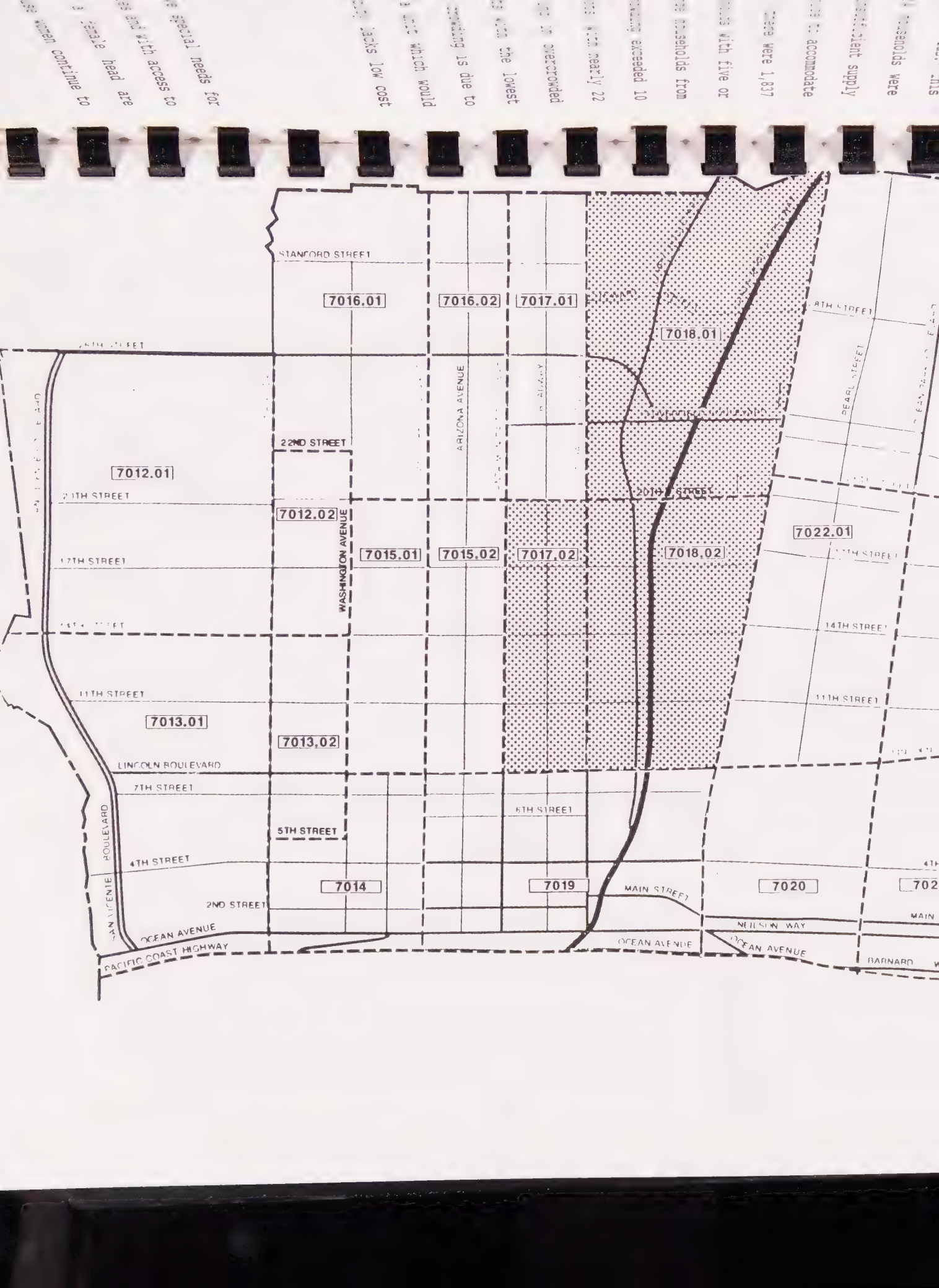


### Large Households and Overcrowding

The federal government defines a crowded household as one having 1.01 or more persons per room. Such overcrowding is hard on the housing (it wears out sooner) and undesirable for the people who live in such conditions. In 1990, there were 2,414 households, or 5.4 percent of the total, that were considered overcrowded. (Renters were 85.4 percent of these at 2,061 households.) This represents an increase from 1980, when 2,124 households were overcrowded. Crowding occurs when there is insufficient supply of housing of the right size and the right price to accommodate the larger households in the city. In 1990, there were 1,837 large households in the city (that is, households with five or more members), representing a decline in large households from 2,052 in 1980. Exhibit 2 shows that overcrowding exceeded 10 percent of all households in three census tracts, with nearly 22 percent of the households in one tract living in overcrowded conditions. Since these are also the tracts with the lowest median income in 1980, it is likely that the crowding is due to the inability of the households to afford a unit which would adequately accommodate them. That is, the city lacks low cost housing for larger households.

### Female-Headed Households

Single parent households are likely to have special needs for housing near daycare and recreation facilities and with access to public transportation. Households with a female head are especially likely to need assistance because women continue to



earn less on average than men in the same jobs. In 1990, 5,678 households living in Santa Monica were headed by women, or 12.7 percent of the total households. Approximately 62 percent of these (3,542 households) included children.

While information is not yet available from the 1990 census, the 1980 census found that 1,289 families (or 6.6 percent of the total families in the city) were living below the federally defined poverty level. Over 40 percent of these (532 families) were female-headed households. That is, although only 6.6 percent of all families had incomes below the poverty level, 25 percent of the female-headed families did.

### Elderly Households

Households with elderly members (that is, members over age 65) are also likely to have special housing needs. First, there is a high correlation between age and disability status. In Santa Monica 64.5 percent of the people reporting a work or housework disability in the 1980 census were over age 65. Second, most people over age 65 are retired and, therefore, have fixed retirement incomes (social security, pension, etc.). They cannot afford escalating rents, and if they own their homes, they often cannot afford to make major repairs when they are needed. In 1990, 9,572 or 21.3 percent of all households in Santa Monica were headed by people over age 65. Sixty-four percent were renters and thirty-six percent owned their own homes. In contrast, only 9.71 percent of the households in Los Angeles County are headed by seniors. According to the 1980 census,



senior families in Santa Monica represented 20 percent of the families with incomes below the poverty level and 16 percent of the single person households living in poverty.

### Income

In 1990, the median household income for the City of Santa Monica was \$35,997, which was only slightly higher than the county-wide average of \$34,965, despite its prime location. To a great extent, this reflects the large percentage of households headed by seniors and living on fixed incomes, and the large number of students who live in the City.

Table 9 shows the household income characteristics of the City by census tract. Compared to 1980, the table shows that that the proportion of the City's lower income households (including low and very low) has declined slightly from approximately 42 percent to 39 percent of all households, while the proportion of moderate and upper income households has increased slightly from approximately 58 percent to 61 percent of all households. Exhibit 3 illustrates the spatial distribution of lower income households within the City.

The 1990 Census shows substantial disparities in income by race and ethnicity. For example, while the mean household income for whites in the City was \$57,110, the mean household income was \$31,453 for blacks, \$59,796 for Asian/Pacific Islanders, and \$36,620 for "other" households, including Hispanics.



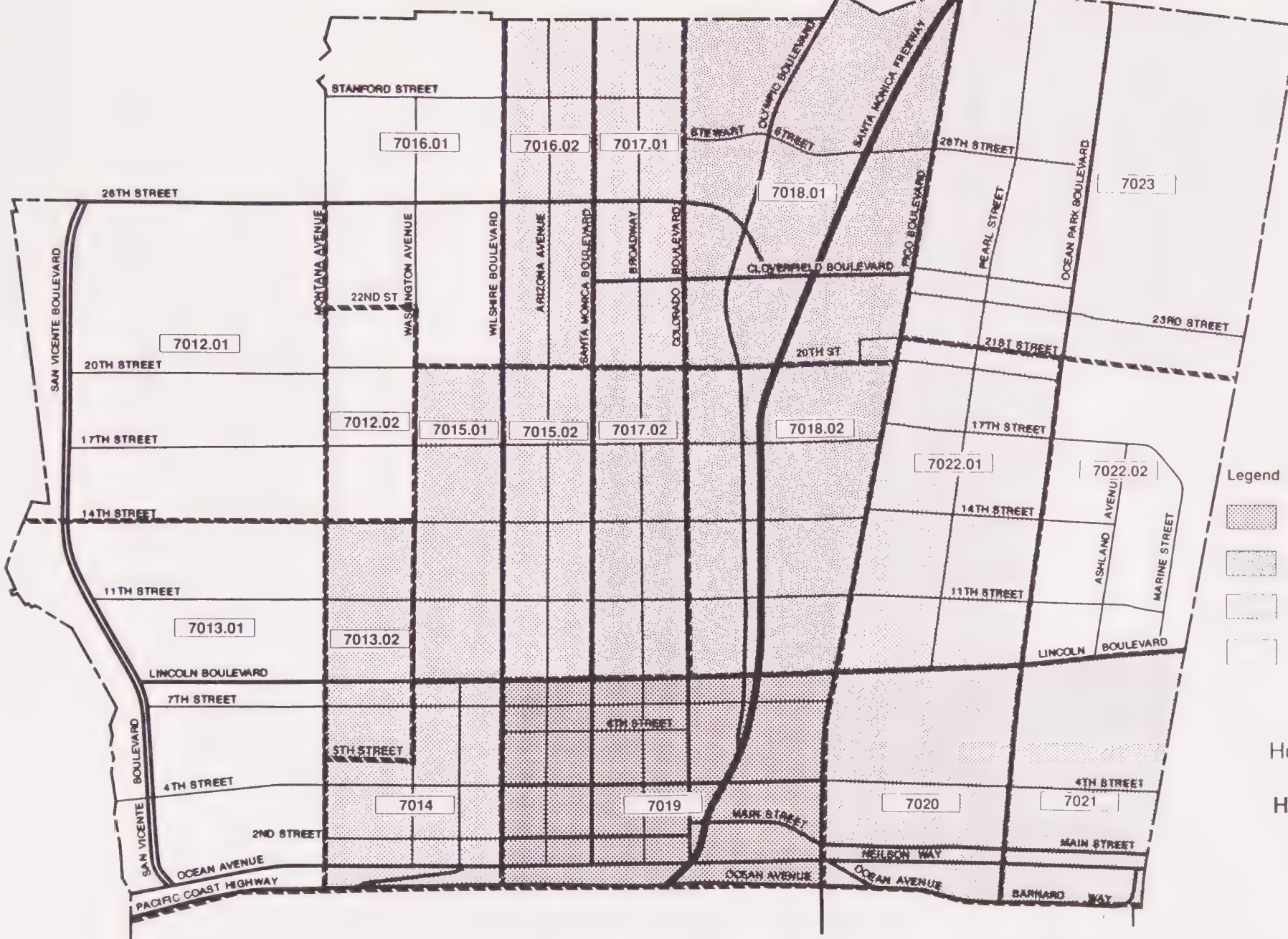
TABLE 9

**1990 HOUSEHOLD INCOME CHARACTERISTICS BY CENSUS TRACT  
WITH AGGREGATE COMPARISON TO 1980**

CENSUS TRACT	TOTAL HSHLDS(1)	VERY LOW INCOME	%	LOW INCOME	%	MOD INCOME	%	UPPER INCOME	%	MEDIAN INCOME	MEAN INCOME
7012.01	1,532	124	8.1%	99	6.5%	83	5.4%	1,226	80.0%	\$123,145	\$174,166
7012.02	1,773	309	17.4%	254	14.3%	312	17.6%	899	50.7%	\$45,417	\$60,332
7013.01	3,456	531	15.4%	421	12.2%	637	18.4%	1,867	54.0%	\$50,334	\$101,992
7013.02	2,930	565	19.3%	436	14.9%	655	22.4%	1,274	43.5%	\$39,864	\$52,110
7014	3,911	1,284	32.8%	535	13.7%	851	21.8%	1,241	31.7%	\$31,181	\$42,571
7015.01	2,778	422	15.2%	470	16.9%	596	21.5%	1,289	46.4%	\$41,628	\$55,033
7015.02	1,942	516	26.6%	399	20.5%	456	23.5%	572	29.5%	\$29,931	\$38,860
7016.01	1,730	336	19.4%	222	12.8%	301	17.4%	870	50.3%	\$45,040	\$70,235
7016.02	1,866	302	16.2%	334	17.9%	471	25.2%	759	40.7%	\$37,177	\$44,771
7017.01	1,741	455	26.1%	279	16.0%	363	20.9%	644	37.0%	\$35,348	\$40,936
7017.02	1,568	471	30.0%	341	21.7%	397	25.3%	359	22.9%	\$27,100	\$32,851
7018.01	2,445	831	34.0%	490	20.0%	591	24.2%	533	21.8%	\$25,823	\$31,762
7018.02	1,761	655	37.2%	386	21.9%	310	17.6%	410	23.3%	\$23,328	\$31,044
7019	1,664	679	40.8%	368	22.1%	287	17.2%	330	19.8%	\$19,984	\$31,594
7020	3,374	596	17.7%	722	21.4%	888	26.3%	1,168	34.6%	\$33,548	\$46,544
7021	3,731	931	25.0%	501	13.4%	793	21.3%	1,506	40.4%	\$35,578	\$45,813
7022.01	2,257	502	22.2%	353	15.6%	493	21.8%	909	40.3%	\$35,841	\$48,826
7022.02	1,646	276	16.8%	235	14.3%	334	20.3%	801	48.7%	\$43,155	\$59,657
7023	3,020	588	19.5%	440	14.6%	543	18.0%	1,448	47.9%	\$40,426	\$60,439
TOTAL: 1990	45,125	10,373	23.0%	7,285	16.1%	9,361	20.7%	18,105	40.1%	\$35,997	\$55,522
TOTAL: 1980	43,944	10,829	24.6%	7,475	17.0%	8,682	19.8%	16,958	38.6%	16,604	N/A

1990INC

(1) Total households count may not agree with other census data because the table is based upon sample data.



# Legend

- LESS THAN 60% OF REGIONAL MEDIAN INCOME
- 60-80% OF REGIONAL MEDIAN INCOME
- 80-120% OF REGIONAL MEDIAN INCOME
- 120% OR MORE OF REGIONAL MEDIAN INCOME

## 1990 Median Household Income Santa Monica Housing Element



Exhibit 3

The 1990 Census reveals that 2,148 of all households were receiving public assistance income, representing 4.7 percent of all households. This percentage represents a decline since 1980, when 6.1 percent of families and 6.3 percent of individuals were receiving public assistance. This decrease may reflect funding reductions and regulation changes rather than an actual decline in the number of households needing assistance.

### Homeless

One of the most tragic features of the 1980's has been the record increase in homelessness in the United States. According to a recent study completed by SCAG, Los Angeles has the largest population of homeless people in the country. Santa Monica because of its location, the availability of parks and beaches, and its reputation for assisting the less fortunate, has seen a rapid increase in homelessness too.

The causes of homelessness are many and complex. Some homeless people are mentally disabled people who are not able to get into one of the scarce counseling and care programs for such people. Some are Vietnam veterans who have been unable to readjust to life in the United States. As with the mentally disabled, funding for assistance programs is inadequate. Some are women or children forced out of their homes by physical or sexual abuse. But the majority of those who are homeless are people who lost their jobs in the recession of the early 1980's and do not have the resources to rejoin society. Plant closures and a changing job market have reduced or eliminated many jobs. Without work,



these people do not have the money to pay for housing. At the same time that unemployment and underemployment were on the rise, the cost of housing was increasing even more rapidly. Since 1980, housing costs have risen at roughly double the rate that incomes have risen in Southern California. The result has been an increasing number of homeless individuals and families who need the assistance of their fellow citizens in order to live. There are a number of crisis intervention or shelter programs available to homeless people in Santa Monica. However, it is clear that successful reentry of the majority of the homeless into society will depend on the availability of affordable housing of a variety of types for them to occupy. They cannot live in emergency shelters and transitional situations indefinitely.

Homeless service agencies estimate that approximately 2,500 to 5,000 homeless persons live in the Santa Monica and Venice areas, with roughly half living in the City of Santa Monica. The single most important cause of homelessness in Santa Monica is the shortage of affordable housing. While the City of Santa Monica has addressed the housing crisis through rent control laws and affordable housing production and maintenance programs, it has become necessary to provide a wide range of emergency services to help alleviate the conditions and hardships of homelessness until that individual can secure permanent housing. The City currently contributes approximately \$1.3 million from its own general fund as community service grants and City-sponsored programs to assist the homeless, including:



Homeless Outreach Teams-- Parks outreach, jail outreach, and limited health care outreach to local shelters.

Case Management and Counseling-- Social service agencies such as LIEU-CAP, Step Up on Second, OPCC Daybreak Center, OPCC Drop-in Center, Sojourn, Stepping Stone, and Saint Joseph Center provide counseling and assist the homeless, including the mentally ill homeless, to obtain governmental benefits, job training, housing and money management.

Shelter Resources-- The Emergency Cold Weather Shelter Program, funded exclusively through Los Angeles County, provides emergency shelter during inclement weather for a nightly average of 160 persons through the use of local armories and motel vouchers. Sojourn provides residential services for battered women and their children. LIEU-CAP supplies referrals to other local shelter services, and Turning Point provides a 35-bed shelter for any homeless adult. Daybreak Shelter provides 15 beds for the homeless mentally ill women and Daybreak Day Center provides day services.

The City has also committed funds towards the predevelopment and acquisition costs associated with a transitional housing project for homeless adults sponsored by the Ocean Park Community Center.

Health Care-- Primary care for homeless persons is available through the Venice Family Clinic and through limited healthcare outreach to local shelter providers.

Food and Clothing-- Emergency assistance, including meals and clothing, are available at six locations: CLARE Sober Inn, LIEU-CAP, Saint Joseph Center, Ocean Park Community Center, Step Up on Second, and the Westside Food Bank.

Day Centers-- CLARE Sober Inn, OPCC Daybreak Day Center, OPCC Drop-in Center, St. Joseph Drop-in Center, and Step Up On Second, provide homeless persons with hot food, showers, counseling, and rest areas. Two other centers, Daybreak and Step Up on Second Street, target services to the mentally ill homeless.

While this network of services is impressive, it clearly only partially addresses the demand. In addition, the lack of shelter beds, transitional and permanent housing has exacerbated the problem of a significant number of homeless persons using the community's parks and public places as "home".

The City has established a broad-based community Task Force on Homelessness to develop recommendations on the many problems associated with homelessness. Santa Monica also participates in the Westside Shelter Coalition to identify unmet needs, identify funding sources, and implement the programs. Included in this effort is an attempt to coordinate with other governmental agencies, particularly the County and the City of Los Angeles.

### Employment

According to the 1990 Census, there were 50,375 Santa Monica residents between the ages of 16 and 64 and, therefore,

considered part of the the labor force. Table 10 shows the types of employment held by Santa Monica residents in 1990. The majority of the City's residents were employed in management, professional, and technical positions. Within the labor force, 2,548 persons, or approximately 5 percent, were unemployed.

**TABLE 10**  
**JOBS HELD BY SANTA MONICA RESIDENTS**

<u>Job Category</u>	<u>Number</u>	<u>Percent</u>
Managerial/Professional	23,480	46.6
Sales, Technical, & Admin. Support (incl. clerical)	16,070	31.9
Service Occupations	5,109	10.1
Farming, Forestry, & Fishing	445	.9
Precision Production, Craft, & Repair	2,665	5.3
Operators, Fabricators, & Laborers	2,606	5.2
TOTAL EMPLOYED PERSONS 16 YEARS & OVER:	50,375	100

Source: U.S. 1990 Census.

In contrast, Table 11 shows the types of jobs available in the City of Santa Monica in 1976, 1984, and 1988. The largest classification is "services" which includes professionals, such as physicians and teachers, as well as personal and business service firms. Santa Monica is a jobs-rich community which had approximately 52,000 jobs within the corporate limits in 1980, while there were only 48,300 employed residents, according to the

1980 census. Generally, increases in employment opportunities will increase the demand for housing in the area, because, other things being equal, most people would like to live fairly close to their work. This increasing employment is taken into consideration by the SCAG in preparing their regional growth forecast. It is reflected in the fact that the projected growth in the city between 1989 and 1994 is higher than the average growth rate for the past 5 years.

### **Farmworkers**

In 1990, 445 people living in Santa Monica (less than 1 percent) were employed in agriculture or related jobs. Since there are no farms in the city or surrounding area, these jobs are likely to be in specialized nurseries or as gardener and landscape maintenance personnel. There is no need for migrant farmworker housing. Housing for lower income households in general will meet the needs of lower income households in the city who happen to be employed in agriculture.



**TABLE 11**  
**SANTA MONICA EMPLOYMENT**

	<u>1976</u>	<u>1984</u>	<u>1988</u>
Agriculture	109 <sup>a</sup>	118 <sup>a</sup>	118 <sup>a</sup>
Mining	13	125 <sup>a</sup>	125 <sup>a</sup>
Construction	856	1,156	1,156
Manufacturing	7,680	9,764	9,263
Transportation, Com- munication, Electrical, Gas, and Sanitary	3,335 <sup>a</sup>	5,057 <sup>a</sup>	5,785 <sup>a</sup>
Wholesale Trade	1,773	2,507	4,895
Retail Trade	8,808	11,701 <sup>a</sup>	16,673 <sup>a</sup>
Finance, Insurance, Real Estate	2,744 <sup>a</sup>	5,455 <sup>a</sup>	8,574 <sup>a</sup>
Services	13,133	23,534 <sup>a</sup>	25,950 <sup>a</sup>
Public Administration	4,513 <sup>a</sup>	1,509	2,237
Non-classified	<u>336</u>	<u>224</u>	<u>224</u>
	43,300	61,150	75,000

<sup>a</sup> Minimal number of employees due to suppression of some data.

Source: Industrial Commercial Employment Report of the Private Industry Council 1976 and 1984; City of Santa Monica, 1988.

### **C. HOUSING STOCK**

Table 12 shows the number and type of housing units in the City of Santa Monica in 1980 and 1990. Since 1980, the number of single family and 2 to 4 unit residential developments has increased while the number of multi-family units (5+ units) and mobile homes has decreased.

TABLE 12  
UNIT TYPE, 1980 AND 1990

<u>Type</u>	<u>1980</u>	<u>Percent</u>	<u>1990</u>	<u>Percent</u>
Single-Family (detached and townhouses)	10,131	(21.8)	10,961	(22.9)
2 to 4 Units	5,318	(11.5)	6,005	(12.6)
5+ Units	30,652	(66.1)	29,979	(62.8)
Mobile Homes	292	(0.6)	275	(0.5)
Other			533	(1.2)
Total	46,393	(100.0)	47,753	(100.0)

Source: 1980, 1990 U.S. Census

### Age and Condition

Table 13 shows the age of Santa Monica's housing stock as of 1989. Some 9,534 units, or 20.1 percent of the stock, were built prior to 1939. These units may have historic value to the community. At the same time, units built before 1939 are less likely to have been built to the structural standards necessary to withstanding a major earthquake in good condition. However, age is only one indication of structural integrity. Since Santa Monica is located adjacent to an active earthquake fault (the Newport-Inglewood fault) which is capable of producing a major earthquake (Richter magnitude 6.5 or greater), its housing programs will need to address the earthquake safety of older housing units. A survey of unreinforced masonry buildings was

completed in 1988 that identified 15 structures with 350 rent-controlled housing units in need of upgrade.

TABLE 13  
AGE OF SANTA MONICA HOUSING STOCK

<u>Year Built</u>	<u>Units</u>	<u>Percent</u>
Before 1939	9,534	20.1
1940 - 1949	8,006	16.7
1950 - 1959	9,944	20.9
1960 - 1969	11,035	23.2
1970 - 1979	6,895	14.5
1980 - 1989	1,802	4.6
Total	47,216	100.0

a Through August 1988.

Source: U.S. Census, State of California, Department of Finance.

The 1988-1991 housing assistance plan prepared by the city to set goals for the use of the federal CDBG estimates that there are 2,327 substandard units in the city, 289 are owner and 2,038 are rental units. Of these, 1,813 are considered suitable for rehabilitation (224 owner and 1,589 renter) and 514 are in such bad condition that they should be replaced.

## Coastal Zone Housing

One of the goals of the California Coastal Act of 1976 was the preservation of housing opportunities in the coastal zone for low and moderate income households. Exhibit 4 shows the coastal zone. The City adopted a Local Coastal Plan in October 1991 which was approved with modifications by the Coastal Commission in August 1992. Until the City and Coastal Commission approve an Implementation Plan, developments in the coastal zone must receive both City and Coastal Commission approval. There has been a significant amount of development activity in the coastal zone since 1984 (Table 14). During that time, a total of 161 units were demolished and 695 new units constructed for a net gain of 534 units; 216 of these are affordable to low and moderate income households.

**TABLE 14**

### **COASTAL ZONE DEVELOPMENT**

<u>Year</u>	<u>Constructed</u>	<u>Demolished</u>	<u>Net Gain (Loss)</u>
1984	42	0	42
1985	2	2	0
1986	1	8	(7)
1987	157	31	126
1988	128	22	106
1989	184	27	157
1990	84	39	45
1991 (thru Sept)	97	32	65
TOTAL	695	161	534

Source: City of Santa Monica Land Use and Transportation Management Department.





## Tenure

In keeping with the large proportion of multifamily units in the city, the 1990 census found that 27.5 percent of the city's households own the unit they live in and the remaining 72.5 percent rent. This is a much higher percentage of renters than in any other city in the county. The countywide average was 45 percent. Table 15 shows the distribution of owner and renter occupied units by census tract, and Exhibit 5 illustrates the distribution. The highest concentrations of owner occupied housing are located north of Wilshire Boulevard and the highest concentration of renters was located near the beach and along the Pico Avenue Corridor.

A subcategory of rental housing includes the single room occupancy (SRO) hotel and boarding or rooming houses, which is generally the least expensive housing and frequently the only housing option available to the lowest income households. There are few remaining resources of this type in the city. Since 1980, nine SRO hotels have been closed, removing a total of 327 units from the housing stock.

## Vacancy

Between February and August, 1991, the Federal Home Loan Bank System, under funding from the U.S. Department of Housing and Urban Development, conducted a survey of vacancies in the Los Angeles - Long Beach statistical area. The survey revealed that

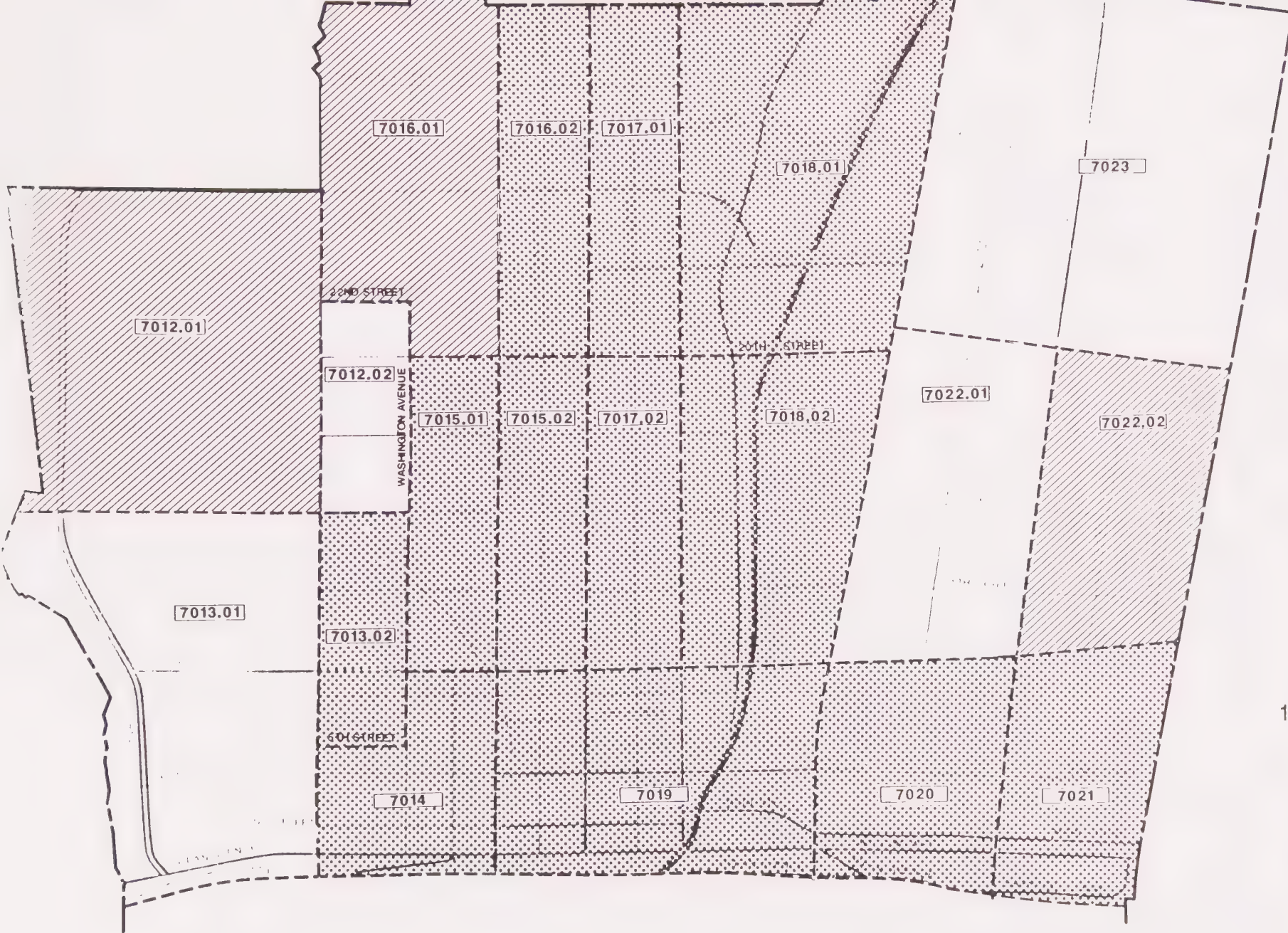
TABLE 15

## 1990 TENURE OF SANTA MONICA HOUSING


<u>Census Tract</u>	<u>Owner Occupied</u>		<u>Renter Occupied</u>		<u>Total Occupied</u>
	<u>Number</u>	<u>%</u>	<u>Number</u>	<u>%</u>	
7012.01	1,400	84.0	167	10.0	1,567
7012.02	555	29.6	1,178	62.7	1,733
7013.01	1,530	41.6	1,931	52.6	3,461
7013.02	432	14.0	2,510	81.6	2,942
7014	381	9.1	3,516	84.4	3,897
7015.01	544	18.8	2,214	76.5	2,758
7015.02	261	12.9	1,659	81.8	1,920
7016.01	1,018	55.2	711	38.5	1,729
7016.02	447	23.1	1,374	71.1	1,821
7017.01	366	19.8	1,354	73.3	1,720
7017.02	105	6.1	1,455	85.0	1,560
7018.01	555	22.0	1,839	72.9	2,394
7018.02	301	16.2	1,440	77.5	1,741
7019	62	3.3	1,624	85.7	1,686
7020	480	13.4	2,857	79.8	3,337
7021	824	20.7	2,911	73.2	3,735
7022.01	768	32.1	1,489	62.2	2,257
7022.02	917	54.6	707	42.1	1,624
7023	<u>1,410</u>	<u>44.8</u>	<u>1,589</u>	<u>50.5</u>	<u>2,999</u>
TOTAL	12,356	25.9	32,525	68.1	44,881


Source: 1990 U.S. Census.





**Legend**

 MORE THAN 70% RENTER OCCUPIED UNITS

 MORE THAN 50% OWNER OCCUPIED UNITS

1990 Owner/Renter  
Concentrations  
**Santa Monica**  
Housing Element



Exhibit 5



the vacancy rate among all housing types in Santa Monica was 2.2 percent. A vacancy rate of 5.0 is the generally accepted standard used to indicate an adequate supply of housing. Thus, Santa Monica's vacancy rate is low.

The survey also revealed differing vacancy rates among different housing types in the City. Among single family detached and attached units the rates were 2.8 and 4.3 percent, respectively. The vacancy rate among multi-family units, the predominant housing type in the City, was the lowest at 1.7 percent.

#### **Owner and Rental Housing Costs**

In 1990, the median value for all owner-occupied housing was over \$500,000, the top category used in the 1990 Census. In contrast, the median value for all housing in Los Angeles County was \$226,400. Table 16 shows the prices for housing sold in Santa Monica in 1990, the average price, and price range for jurisdictions. As shown, Santa Monica was relatively expensive.

In the 1990 Census, the median contract rent reported for all rental units was \$498. The median contract rent for all of Los Angeles County was \$570. This confirms the results of a 1990 study by Gary Squier & Associates which found that rent controls were acting to protect housing affordability in Santa Monica. Table 17 shows the median rents for rent-controlled units in 1990.

**TABLE 16**  
**1990 Housing Sales Prices**

<u>Unit Type</u>	<u>Average</u>	<u>Range</u>
Single Family		
1 Bedroom	\$ 589,400	\$ 277,000-\$ 820,000
2 Bedrooms	525,350	135,000-2,850,000
3 Bedrooms	706,157	91,000-1,489,000
4+ Bedrooms	1,286,290	320,000-4,125,000
Multiple Family - Condominiums		
1 Bedroom	\$ 200,222	\$ 90,000-\$ 367,500
2 Bedrooms	351,108	190,000- 900,000
3 Bedrooms	372,566	223,500- 950,000
4+ Bedrooms	0	0

Source: California Market Data Cooperative data, on sales in 1990.

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TABLE 17

## 1990 Rents in Santa Monica for Units Under Rent Control

<u># of Bedrooms</u>	<u>Median Rent</u>
Studio	\$ 303
1 Bedroom	402
2 Bedroom	531
3 or more bedrooms	626

## Overpayment

No matter how expensive housing in the City of Santa Monica becomes, it is not considered a problem unless it is too expensive for residents to afford. The federal definition of "affordability" is 30 percent or less of gross monthly income. Studies prepared for the U.S. Department of Housing and Urban Development (HUD) indicate that this is the threshold at which the cost of housing becomes a burden, reducing the money available for other necessary expenses, such as food and medical care. Clearly, upper income households can afford a higher percentage of income for housing than can lower income households. Thirty percent is a rule of thumb.

Table 18 shows the 1990 housing expenditures as a percentage of income for various income groups in the city. It is clear that the percentage of income spent on housing increases as income decreases. The lowest income households are, therefore, most likely to be overpaying for housing and in need of assistance. The table shows that among renter households earning under \$20,000, over 70 percent are paying more than 30 percent of their income in rent. This includes 10,772 households, or approximately 24 percent of all households in the City in 1990.



TABLE 18

## 1990 HOUSING EXPENDITURES AS A PERCENTAGE OF HOUSEHOLD INCOME

Income/Cost	Renter		Owner	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$10,000				
Spent up to 24%	143	2.8	55	15.3
Spent 25 to 29%	307	6.0	23	6.4
Spent 30% or more	3,866	75.6	235	65.5
Not Computed	800	15.6	46	12.8
Total	<u>5,116</u>	<u>100.0</u>	<u>359</u>	<u>100.0</u>
\$10,000 to \$19,999				
Spent up to 24%	883	15.6	243	48.3
Spent 25 to 29%	657	11.6	62	12.3
Spent 30% or more	4,022	71.1	198	39.4
Not Computed	94	1.7	0	0
Total	<u>5,656</u>	<u>100.0</u>	<u>503</u>	<u>100.0</u>
\$20,000 to \$34,999				
Spent up to 24%	4,654	57.2	667	69.8
Spent 25 to 29%	1,637	20.1	73	7.6
Spent 30% or more	1,773	21.8	216	22.6
Not Computed	64	.9	0	0
Total	<u>8,128</u>	<u>100.0</u>	<u>956</u>	<u>100.0</u>
\$35,000 or more				
Spent up to 24%	12,360	90.9	3,804	64.4
Spent 25 to 29%	569	4.2	471	7.9
Spent 30% or more	502	3.7	1,635	27.7
Not Computed	169	1.2	0	0
Total	<u>13,600</u>	<u>100.0</u>	<u>5,910</u>	<u>100.0</u>

Source: 1990 U.S. Census; Draft August 10, 1992 Comprehensive Housing Affordability Strategy for the City of Santa Monica

## Publicly Assisted Units at Risk

A recent amendment to housing element law (Chapter 1451, Statutes of 1989) requires that all housing elements include analyses and programs to address the potential conversion of publicly assisted housing developments to non-low-income housing uses during the next two five year planning periods (July, 1989 through July 1999 for Santa Monica). Affected housing developments include those assisted under a variety of federal, state, and local programs.

The City has reviewed the affordability restrictions on all publicly assisted housing developments in the City. These include projects built with the assistance of federal Department of Housing and Urban Development (HUD) loans; projects built and owned by the County of Los Angeles; projects built under Development Agreements; projects built as a result of inclusionary programs and density bonus incentives; and, projects built and owned by non-profits which received financial assistance from the City. The inventory shows that there are a total of 1,221 publicly assisted housing units in the City.

The inventory includes only one project--a 100-unit elderly project at 3100 Nielson Way--that is eligible to convert to non-low-income housing during the next ten year period. This project received a federal Section 236 (J) (1) low interest mortgage loan. Under the terms of this loan, the owner of the project may prepay the loan after twenty years, effectively eliminating the rent subsidy made possible by the loan.

However, underlying restrictions will protect the affordability of the senior units at 3100 Neilson Way. This project was built by a private developer, Shapell Government Housing, on land owned by the City Redevelopment Agency. In July, 1976, the City and the developer entered into a Disposition and Development Agreement which stipulates that priority be given to elderly, low-income tenants. This agreement will remain in effect for the life of the project and thus will protect the affordability of the units even after the prepayment opportunity avails itself in 1997.

Therefore, while the city has a large inventory of publicly assisted low-income housing units, none of these are eligible to convert to non-low income housing during the July, 1989- July, 1999 period. Therefore, no programs are necessary to address publicly assisted low income units at risk.

#### **D. INVENTORY OF LAND SUITABLE FOR RESIDENTIAL DEVELOPMENT**

By law, the City is required to provide an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment.

##### **Vacant Land**

Table 19 shows vacant acreage in each of the City's residential zones. The total theoretical unit capacity is determined by multiplying the vacant acreage by the number of square feet (43,560) per acre, and dividing by the allowable density in each zone. The total theoretical number of units developable on

vacant land is 373. This assumes that all vacant land will be developed to the maximum potential and that there are no physical or other constraints to development. Based upon this information, it is clear that the amount of vacant land in the City is extremely limited, representing a major constraint on new residential development.

**TABLE 19**

**VACANT LAND INVENTORY**

ZONE DISTRICTS	# Parcels	Sq. Ft.	Acreage	Allowable Density	Poten New Units
Residential					
OP-1 Single Family	2	4,000	.09	1 du/parcel	2
OP-2 Low Density	11	71,306	1.63	2,000 sf/unit	36
OP-3 Medium Density	0	0	0	1,500 sf/unit	0
OP-4 High Density	0	0	0	1,250 sf/unit	0
OP-Duplex	0	0	0	2 du/parcel	0
R1-Single Family	11	100,200	2.30	1 du/parcel	11
R2-Low Density	19	151,020	3.47	1,500 sf/unit	100
R2R-Duplex	0	0	0	2 du/parcel	0
R3-Medium Density	22	183,525	4.21	1,250 sf/unit	146
R4-High Density	9	69,938	1.61	900 sf/unit	78
RMH-Mobile Home	0	0	0	N/A	0
<b>TOTAL</b>	<b>74</b>	<b>579,989</b>	<b>13.31</b>		<b>373</b>

**Sites Having Potential for Redevelopment**

Based upon a recent parcel-by-parcel evaluation using the City's newly implemented geographic information system (GIS), there is a remaining theoretical capacity for 20 new single family units and 7,769 new multi-family units in residentially zoned areas of the City, excluding vacant land. These estimates are preliminary and are subject to change as additional refinements are made to the GIS. The analysis assumes that each parcel would be built to its



maximum capacity under permitted densities permitted by the Zoning Ordinance as of April 14, 1992. We believe that this parcel-by-parcel analysis provides a truer figure than would an analysis that compared the aggregate acreage in each zone district to the total number of units within the same zone district.

In order to estimate the real potential for recycling in the City, it is necessary to consider factors that affect recycling. In Santa Monica, recycling potential is primarily dependent upon age and the potential for increased density. Parcels developed with older structures tend also to be developed at lower densities than those allowed under current zoning standards and thus are most likely to recycle. Based upon the 1990 Census, approximately 57 percent of the City's existing housing stock was built before 1960. In our opinion, it is reasonable to assume based upon the age of these units and their recycling potential that this portion of the City's housing stock has a real potential to recycle to higher densities. Therefore, although there is a theoretical capacity for 7,769 new multi-family units in the City, there is a more realistic potential for 57 percent of these units to be produced during the 1989-1994 planning period, yielding 4,428 units.

In addition to the potential for new dwelling units in residential zones, the city permits residential development in most commercial zones. Table 20 shows which zones and under what conditions residential development is permitted in commercial zones. Table 21 projects the number of future dwelling units

TABLE 20

**Commercial Zone Districts which Permit  
Residential Development**

<b>Zone</b>	<b>How Permitted</b>	<b>Allowable FAR</b>
RVC	by right	varies by area
BCD	by right	1.5
C3	by perf. standard	2.0 (2.5 w/ 50% res)
C3C	by perf. standard	2.5(w/ 50% res dscnt)
C4	by perf. standard	1.0–1.5 dpndng on area
C5	Not permitted	N/A
C6	by perf. standard	2.0
CM	by perf. standard	N/A
CP	by right	1.5(2.5 in CP5 w/DR Prmt)
CC	by perf. standard	N/A
M1	Not permitted	N/A
C2	by perf. standard(abv grnd)	.75 (1.0 on Pico)

commres1

TABLE 21

**CALCULATING PROJECTED RESIDENTIAL  
BUILDOUT IN COMMERCIAL ZONES**

	A	B	C	D	E
Zone	Pot. New Square Footage(1)	% Likely to be Resid(2)	Estmtd Sq Ftge Dvtd to Resid	Estmtd Sq Ftge per D.U.	Estmtd Pot D.U.'s (3)
			A X B		C/D
RVC	--	--	--	--	100
BCD Nghbrhd Comm	1,187,939	20%	237,588	1200	198
C2 Pico	276,913	0%	0	1200	0
C2 (All other)	637,617	0%	0	1200	0
C3 Outside SP Area	3,023,907	10%	302,391	1200	252
C3C Outside SP Area	1,695,310	20%	339,062	1200	283
C3 Promenade	--	--	--	--	100
C4 Santa Monica Blvd	2,312,049	10%	231,205	1200	193
C4 Lincoln: n of fwy	1,135,119	10%	113,512	1200	95
C4 Lincoln: s of fwy	792,157	10%	79,216	1200	66
C4 Pico: Ocean to 4th	34,997	10%	3,500	1200	3
C4 Pico: 7th to Lincoln	4,246	10%	425	1200	0
C4 Pico: Lincoln to 11th	186,405	10%	18,641	1200	16
C4 Brdwy: 20th-25th	116,336	10%	11,634	1200	10
C4 Pico: 21st-31st	1,139,898	10%	113,990	1200	95
C4 14th: Pico to fwy	243,020	10%	24,302	1200	20
C5	5,518,395	10%	551,840	1200	460
C6	3,303,310	10%	330,331	1200	275
CM-2	521,000	10%	52,100	1200	43
CM-3	96,000	10%	9,600	1200	8
CM-4	148,000	10%	14,800	1200	12
CP	--	--	--	--	30
CC	--	--	--	--	200
<b>TOTAL</b>	<b>22,372,618</b>		<b>2,434,134</b>		<b>2,458</b>

resbldt

- 1 – Based upon estimates prepared by Michael Brandman Associates for potential future square footage under existing zoning (4/22/92). Estimates for CM zones calculated by City staff.
- 2 – These are conservative estimates. Given the scarcity of vacant, residentially zoned land in the City, and given that the City is developing policies to promote residential development in commercial zones, actual residential development is likely to be higher.
- 3 – Estimated potential DU's for RVC, C3 Promenade, CP and CC areas as determined by Program and Policy Development Division staff.

anticipated in each commercial zone. The analysis assumes that 10 percent of future development in most commercial zones (in the BCD and C3C zone districts, 20 percent) will be residential, and that the average dwelling unit size will be 1,200 square feet. According to the table, of the estimated 22,372,618 potential new commercial square feet in all commercial zones except the RVC, C3 Promenade, CP, and CC zone districts, it is projected that 2,434,134 square feet will be devoted to residential use. This will provide for 2,028 new dwelling units. Based upon projections of residential development in the Draft Local Coastal Program and other applicable specific plans, an additional 430 additional dwelling units could be accommodated in the RVC, C3 Promenade, CP, and CC Districts, bringing the total projected residential dwelling units in commercial zones to 2,458.

The City has been conservative in developing these projections. Due to the greater availability of recyclable development in commercially zoned areas, the City expects an increasing number of residential projects--including mixed use projects--will be proposed for commercial districts. We have already observed the development of two large mixed use projects, including 76 residential units, in the C3 and BCD districts during the last three years. Moreover, the City is considering new policies that would require up to 40 percent residential development in commercial zones. Therefore, the City believes that the actual amount of new residential development in commercial zones in the long term is likely to be even greater than reflected in this analysis.



## E. EXISTING AND FUTURE HOUSING NEED AS ESTIMATED BY SCAG

SCAG has taken information from the 1980 census and updated it to 1988. Their estimate of existing housing needs in the city is shown in Table 22. This reflects the lower income households currently living in Santa Monica who are considered to be overpaying for housing and, therefore, in need of assistance. (That is, they are households with less than 80 percent of the county median income paying more than 30 percent of their income for housing.) In addition, there is a need to provide housing for the people who will move into Santa Monica over the next 5 years as a result of continued growth in the region and continued development in Santa Monica. The SCAG estimate of future housing needed to accommodate regional growth is shown in Table 23. The total new construction need of 3,220 units is broken down by affordability class. According to SCAG, approximately 41 percent of the new units should be affordable to lower income households. These future housing needs projections considered five factors:

1. Market demand for housing.
2. Employment opportunities.
3. Availability of suitable sites and public facilities.
4. Community patterns.
5. Type and tenure of housing needs.

The future housing needs assessment targets an ideal vacancy rate of 2 percent for single-family units and 5 percent for multifamily units in 1988. If that rate does not exist, then additional construction was assumed necessary to reach that rate. The total new construction need of 3,220 units represents a 6.9 percent increase in the housing stock over the next 5 years. In

contrast, Santa Monica's housing supply increased by only 3.3 percent between 1980 and 1988.

The discussion contained in Section 2(C), Inventory of Land Suitable for Residential Development, indicates that there is an estimated real potential for 4,428 dwelling units in residential multi-family zones and a projected 2,458 unit to be developed in commercial zones, for a total of 6,886 units. This is more than adequate to satisfy the RHNA projected 1989-1994 need.

Of the 4,428 potential new multi-family units in residential zones, approximately 90 percent (3,985) are located in multi-family zone districts which permit at least 29 units per acre (1500 square feet per unit). The City's experience has shown that virtually every multi-family project provides State mandated density units, raising the effective density above 30 units per acre. Therefore, based upon the HCD's rule-of-thumb that densities of 30 units per acre provide housing that is affordable to low income households, ninety percent of the City's potential multi-family units could accommodate low- and very-low income households. Thus, the city has adequate sites to accommodate the 1989-1994 needs for all income groups.

The Proposition R implementing ordinance requires that 30 percent of all new multi-family housing in the City be deed-restricted for low- and moderate-income households. By law, half of the required affordable units must be set aside for low-income households and the other half for moderate-income households.

TABLE 22  
EXISTING HOUSING NEEDS (1988)

	<u>Number</u>	<u>Percent</u>
Total Households	45,741	100.0
Total Low Income Households	19,531	42.7
Low Income Households Overpaying for Shelter:	11,187	24.5
+ Very Low Income (less than 50% of county median)	7,035	62.9
+ Low Income (50 to 80% of county median)	4,152	37.1
+ Owners:	482	4.3
Very Low Income (less than 50% of county median)333		
Low Income (50 to 80% of county median)	149	
+ Renters:	10,705	95.7
Very Low Income (less than 50% of county median)	6,703	
Low Income (50 to 80% of county median)	4,002	
+ Percent Very Low and Low Income		42.7
+ Moderate Income (80% to 120 % of county median)	615	18.5
+ Percent High and Moderate Income (120% or more of county median)	1,251	37.7
		<u>56.2</u>

Source: SCAG Regional Housing Needs Assessment, 1989-94.

TABLE 23

## FUTURE HOUSING NEEDS

	<u>Number</u>	<u>Percent</u>
Total Future Housing Needs	3,220	100.0
Very Low Income (less than 50% of county median)	569	17.1
Low Income (50 to 80% of county median)	785	<u>23.6</u>
Percent Very Low and Low Income		40.7
Moderate Income (80 to 120% of county median)	615	18.5
Higher Income (more than 120% of county median)	1,251	<u>37.7</u>
Percent Moderate and Higher Income		56.2

Source: Regional Housing Needs Assessment, December, 1988.



Under Ordinance #1615, of the total potential 6,886 new multi-family units identified in the City, 30 percent, or 2,066, would be required to be affordable to low- and moderate-income households. Of these, 1,033 would be affordable to low-income households and 1,033 would be affordable to moderate income households.

## SECTION 3

### POTENTIAL CONSTRAINTS ON HOUSING PRODUCTION AND CONSERVATION

The availability and affordability of housing in Santa Monica is dependent upon a variety of factors that either encourage or constrain affordable housing development. These factors range from city ordinances to state and federal mandates (including building codes) to market mechanisms. Sometimes these factors, taken in combination, result in housing that is not affordable to the consumer (especially the lower income consumer) or uneconomical for developers to produce. In Santa Monica, as in cities throughout southern California, these constraints make it difficult to produce a full range of housing types and prices.

This section explores the governmental regulations and market factors that constrain the production of housing, and particularly housing affordable to low and moderate income households.

#### A. NONGOVERNMENTAL CONSTRAINTS

The housing market of Santa Monica is part of the larger housing market for the entire Los Angeles region. To some extent, it is affected by regional trends. For example, the growth control movements in outlying areas of Los Angeles, as well as Orange and Riverside counties may make new development more difficult with the result that recycling in already developed areas becomes more attractive. However, because of Santa Monica's prime location

near the beach, the mountains and other major employment areas of west Los Angeles and the airport, demand for housing is less subject to fluctuation due to regional trends than it is in other parts of the region.

This section discusses the components of the housing market that can act to discourage construction of affordable housing, although many of these factors are beyond the control of local government.

### **Availability of Financing**

Loans for purchase of a new home range between approximately 7.5 and 9 percent for a fixed rate loan with a 30-year term. This represents a decrease of 3 to 3.5 percent over the rates in effect three years ago. Interest rates fluctuate with the national economy. A 1 percent interest rate increase causes the monthly payment for the average house in Santa Monica to increase by \$250, and the monthly payment for the average condominium to increase by \$175. This reduces the number of households who can qualify to purchase a home in the city. Likewise, an increase in construction financing costs translates into higher rents that must be charged to recover the cost. If the development will be too expensive, the owner may elect not to proceed until interest rates drop or a subsidy can be found.

### **Price of Land**

The proportion of housing cost attributable to land costs will vary depending on the location of the property and how long it

has been in the developer's hands. A 1990 study prepared for the City by Kotin, Regan, and Mouchly, Inc. (KRM) concludes that per square foot residential land costs averaged \$80.00. Another recent city survey of land prices found the price of multifamily zoned residential land located between Santa Monica and Wilshire Boulevards to be 30 percent higher than land located in the Pico neighborhood. The housing built in the Pico neighborhood is more likely to be affordable to all income ranges than that built in Santa Monica-Wilshire.

### Cost of Construction

Construction costs also vary according to the type of development. Multifamily housing is generally less expensive to construct than single-family housing. However, there is a wide variation within each construction type depending on the size of the unit and the number and quality of amenities offered. This includes such obvious items as fireplaces, swimming pools, and tennis courts, as well as the less obvious decisions on the grade of carpeting and tiles used, types of appliances and light fixtures, and the quality of cabinetry and woodwork. According to the Construction Industry Research Board, construction cost per square foot for a multifamily home ranges between \$60 and \$100.

A recent review of the cost components of city-assisted new construction and rehabilitation projects indicated that land costs represent between 15 and 35 percent of the total project cost, with the cost per unit decreasing as density increases.



Tables 24 and 25 summarize the information collected by city staff.

TABLE 24

NEW CONSTRUCTION DEVELOPMENT COST

<u>Address</u>	<u>Number of Units</u>	<u>Development Cost Per Unit</u>	<u>TDC Per Unit</u>	<u>Percent Land Cost</u>
1427 Berkeley	7	\$72,331	\$104,474	30.8
1314 18th	6	77,628	110,129	29.5
Ocean Park	12	78,333	106,000	26.1
Ocean Park	43	100,908	127,969	21.1

TDC = total development cost, including land cost.

Source: City of Santa Monica, Housing Division review of city-assisted new construction projects, 1989.

TABLE 25

## ACQUISITION/REHABILITATION DEVELOPMENT COST

<u>Address</u>	<u>Number of Units</u>	<u>Total Development Cost Per Unit</u>
2009-15 Cloverfield	10	\$49,049
1917 17th Street	7	48,568
1943 17th Street	7	55,178
3 Vicente Terrace	25	57,388 (estimated)

Source: City of Santa Monica, Housing Division survey of city-assisted acquisition/rehabilitation projects, 1989.

Manufactured housing (including both mobilehomes and modular housing) is less expensive than conventional stick-built housing. However, even within this type of construction, there is a wide range of prices, depending on the size and finish of the units. In 1986, the Golden State Mobilehome Owners League indicated that the cost of a new coach ranged from \$35 to \$65 per square foot. This does not include the cost of land, infrastructure, required permits, or improvements. Manufactured housing is unlikely to be used in Santa Monica because of the difficulty adjusting the design to meet the requirements of the Architectural Review Board, because more density can be achieved using conventional construction, and because the consumer is unlikely to be willing to pay the high total cost (resulting from the addition of land, infrastructure, financing, and permit costs) for a manufactured home.

Material costs and availability have not been a problem for developers in recent years in Southern California. However, changes in local regulations may create shortages in some materials that delay completion and increase cost for individual projects. For example, the recent concern about the overloading of the Hyperion sewage treatment plant has caused many jurisdictions to require low-volume flush toilets in new development or rehabilitation. These fixtures were not a standard requirement until recently, and some developers have reported delays getting the fixtures needed to complete their projects. Overall, however, material shortages are not expected to constrain housing development.

#### **B. POTENTIAL GOVERNMENTAL CONSTRAINTS**

Local government can constrain the production of affordable housing in a variety of ways, including limiting the land designated for residential development and/or the densities at which that development can occur, imposing fees or exactions (park fees, permit processing fees, etc.), and requiring lengthy review periods prior to approval or denial of a project. However, it is important to recognize that the goal of producing a range of affordable housing may at times conflict with other city goals, such as the desire to provide sufficient open space and recreation facilities, the desire to protect unique environmental features and historic resources, and the desire to ensure the health and safety of the city's residents by maintaining the current level of community services and infrastructure. The need to ensure adequate housing for all

economic segments of the community must be balanced with these goals.

This section of the Housing Element examines potential governmental constraints to housing production. This section also examine programs and regulations which have been established to mitigate potential constraints.

### **Land Use Controls**

The City regulates the type, location, density, and scale of residential development primarily through the Zoning Ordinance. In general, the City's zoning regulations are designed to balance the goal of providing affordable housing opportunities for all income groups in the City with the goals of protecting the health and safety of residents and preserving the character and integrity of existing neighborhoods.

### **Overview of Zoning Categories and Densities**

Table 26 shows the amount of land devoted to each generalized zoning category in the City. According to the table, 12,344.8 acres of land are devoted to residential use, representing 44 percent of the City's land area.

Existing residential zones in the City include the following:

- o R1 Single Family Residential -- one unit per parcel, no second units permitted
- o R2R Low Density Duplex -- minimum 1,500 square feet of lot area per unit
- o R2 Low Density Multiple Residential -- minimum 1,500 square feet of lot area per unit.
- o R3 Medium Density Multiple Family Residential -- minimum 1,250 square feet of parcel area per unit
- o R4 High Density Multiple Family Residential - minimum



- o 900 square feet of parcel area per unit
- o OP1 Ocean Park Single Family Residential -- one unit per lot, no second units.
- o OP Duplex Residential -- two units per lot.
- o OP-2 Ocean Park Low Multiple Residential -- one dwelling per 2,000 square feet of lot area.
- o OP-3 Ocean Park Medium Multiple Residential -- one unit per 1,500 square feet of lot area.
- o OP-4 Ocean Park High Multiple Residential -- one unit per 1,250 square feet of lot area.

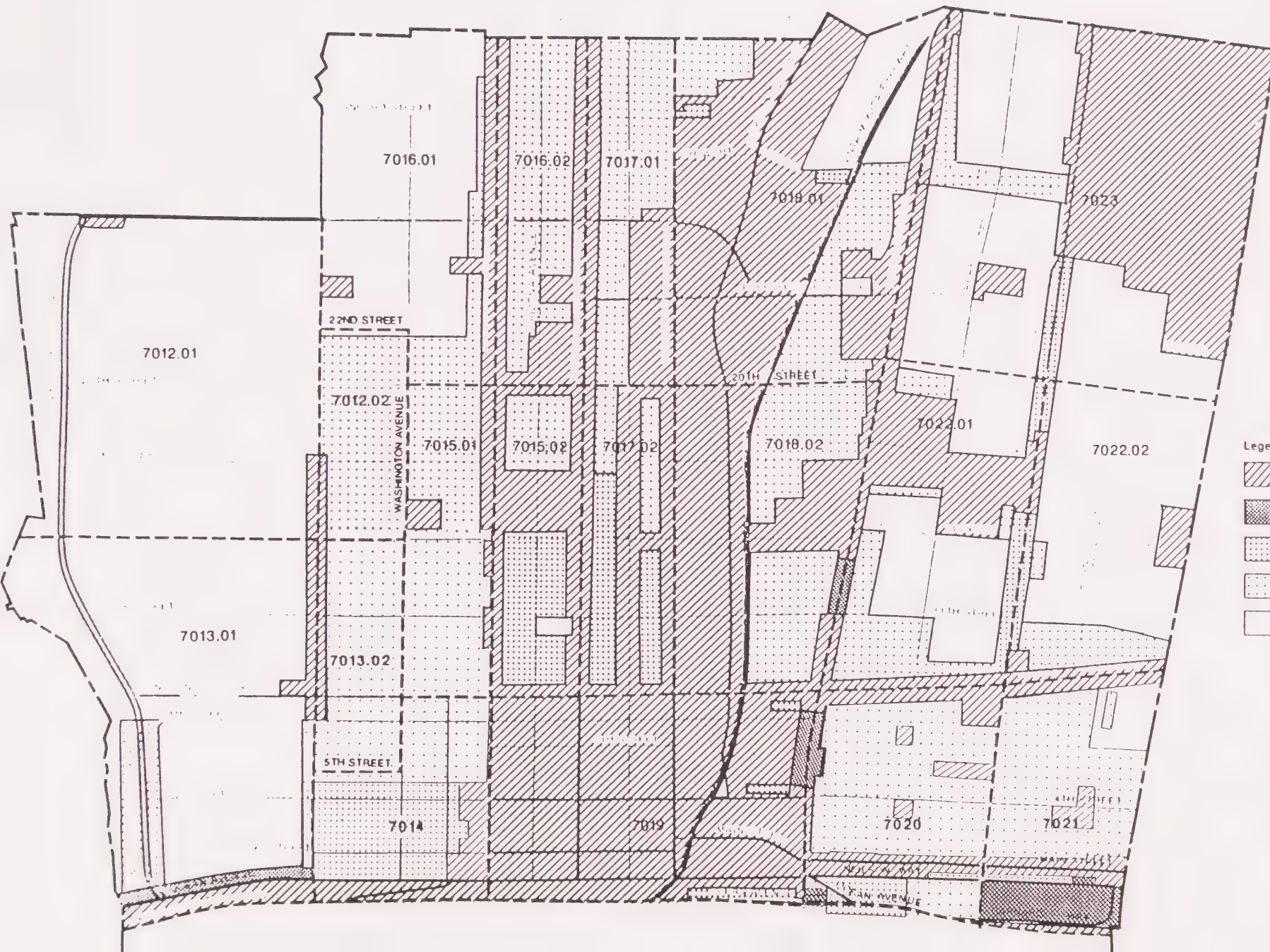
**TABLE 26**  
**EXISTING ZONING DESIGNATIONS**

<u>Zone Types</u>	<u>Acres</u>	<u>Percent of City Total</u>
Residential	12,344.8	44.0
Commercial (retail and office)	381.7	7.2
Industrial	372.6	7.0
Public Recreation	233.8	4.4
Other Public and Quasi-Public	431.7	8.0
Vacant	43.4	0.8
Circulation	1,527.0	28.6
Total	15,335.0	100.0






Source: Santa Monica Land Use Element, 1983.

It should be noted that the R2 zone, one of the City's lowest density multi-family zone districts, provides for a minimum density of 1500 square feet per unit, or the equivalent of approximately 29 units per acre. Furthermore, the City's experience has shown that most multi-family projects qualify for the State mandated density bonus, raising the effective density above 30 units per acre. The City's highest density multi-family zone district, R4, provides for a minimum density of 900 square feet per unit, the equivalent of approximately 48 units per acre.

Exhibit 6 shows the location of the residential zones in the City.



Legend

-  NON-RESIDENTIAL
-  HIGH DENSITY HOUSING
-  MEDIUM DENSITY HOUSING
-  LOW DENSITY HOUSING
-  SINGLE FAMILY HOUSING

Existing Zoning  
Santa Monica  
Housing Element



In 1984, the City revised the Land Use and Circulation Element (LUCE) of the General Plan and, in 1988, revised the Zoning Ordinance to reflect the changes made to the LUCE. These revisions essentially affirmed the interim residential development standards in place at the time of adoption of the 1983 Housing Element. However, since 1988, the City has rezoned two multi-family residential neighborhoods, the Ocean Park and North of Wilshire neighborhoods, shown in Exhibit 7. These rezonings resulted in a net theoretical loss of 1,127 dwelling units. To offset this loss of potential dwelling units, the City has implemented special "hold harmless" provisions for affordable housing in these areas and continues to examine other policies and programs to offset the loss (see discussion of Potential Constraints below).

In addition to being a built out City with little vacant land available for new development, Santa Monica is one of the densest Cities in Southern California. Table 27 shows population densities for Santa Monica and several of its neighbors based upon the 1990 Census. As the Table 27 shows, Santa Monica has approximately 10,500 persons per acre, higher than most other cities.





Ocean Park and  
North of Wilshire  
Rezoning Study Areas  
Santa Monica  
Housing Element





TABLE 27

POPULATION DENSITIES  
SANTA MONICA AND NEARBY JURISDICTIONS  
1990

<u>Jurisdiction</u>	<u>Persons per Square Mile</u>
Santa Monica	10,507
Beverly Hills	5,633
Culver City	7,600
Lakewood	7,829
Long Beach	8,586
Los Angeles	7,426
Manhattan Beach	8,154
Redondo Beach	9,587
West Hollywood	19,231

Source:

1990 Census Report C90-PL1, Table II.

## **POTENTIAL CONSTRAINTS**

The City's residential development standards contain several provisions which might constrain housing development, including maximum lot coverage requirements and height limits, new and stricter parking and front yard setback requirements for multi-family development, a discretionary review process for condominium development and apartment projects exceeding specific site review thresholds, and reduced allowable densities in some neighborhoods. The following discussion examines these potential constraints as well as regulations which serve to mitigate these constraints.

### **Lot Coverage and Height Limits**

Apart from density, two standards that may affect the number of units that can be constructed on a given lot are maximum lot coverage and height limits. Santa Monica's zoning ordinance restricts the amount of lot area that may be covered by development to 50 percent in all zones (except R1 where the maximum lot coverage is 40 percent), and limits the height of R-2 development to 2 stories, 30 feet, R-3 to 3 stories, 40 feet, and R-4 to 4 stories, 45 feet.

In part to mitigate the effect of these lot coverage requirements upon affordable housing, the City has recently adopted standards as part of Ordinance #1612 (CCS) which give the Zoning Administrator the authority to grant an increase in parcel

coverage by up to ten percent of the parcel area for projects conforming to state density bonus guidelines. The same ordinance contains a provision to exempt 100 percent affordable housing projects from applicable limits on the number of stories, provided that the height remains within the applicable limit in feet.

### **Parking Requirements**

The 1998 revisions to the Zoning Ordinance altered the way that required parking is calculated from a per square foot system to a per bedroom system, effectively increasing the number of spaces that must be provided in multifamily development. The increase was based on the experience of the city in recent years that multifamily units may be occupied by several persons, each with his or her own car, resulting in more permanent cars per unit than anticipated by the former standard. Nonetheless, the result is an increased proportion of each development that must now be devoted to parking space.

In order to mitigate the potential adverse impacts of these changes on construction of housing affordable to low and moderate income households, the City has adopted reduced parking requirements (as part of Ordinance #1635) for senior housing, shelters, congregate housing, transitional housing, and affordable housing generally. These new "as of right" parking standards are designed to address the unique nature of each of these housing types. For example, affordable, deed-restricted one-bedroom units are required to have 1 space per unit rather

than 2 as formerly required; similarly, affordable, deed-restricted two-bedroom units are required to have 1.5 spaces per unit, a reduction from the previous 2-space requirement. Parking requirements for senior group housing are reduced from 1 space per unit to 0.5 spaces per unit, and may be reduced further to 0.25 spaces per unit for units restricted to low- and moderate-income households. The new ordinance also establishes a standard of 0.5 spaces per unit for market-rate SRO (single room occupancy) projects and 0.25 spaces per unit for SRO's affordable to low- and moderate-income households.

### **Front Yard Setbacks**

The 1988 Zoning Ordinance increased the front yard setback requirement for multifamily development to 20 feet, an increase of 5 to 10 feet in setback, depending on the area, thereby decreasing the area of the lot available for development. The larger setbacks will work to ensure that new development blends more completely with the old in existing neighborhoods, although it will also reduce the achievable density on some parcels.

Recently adopted Ordinance #1612 (CCS) gives the Zoning Administrator the discretion to grant a variance in front, side, and rear yard setbacks for projects conforming to the State density bonus guidelines. More specifically, the ordinance allows encroachment into up to 15 percent of one side yard setback, and up to 15 percent of either the front or rear yard setback.



## **Discretionary Review**

Recognizing the difficulty in designing attractive infill development, the city's Zoning Ordinance requires discretionary review for all condominium projects as well as all apartment projects that exceed development review thresholds. The applicant submits site plans, floor plans, landscaping plans, elevations, samples of facade materials, and other required studies for review. The development permit application is reviewed by the Planning Commission, and the design review is undertaken by the Architectural Review Board (ARB). The standards for review and approval of these permits are worded to permit flexibility in order to ensure compatibility with the variety of development styles and neighborhoods in the city.

The discretionary review process is sometimes seen by developers as a constraint because it increases uncertainty that it will be economically feasible to comply with the design parameters established by the ARB. However, the purpose of the discretionary process is to enable the City to better promote the Housing Element goal of preserving the character and integrity of existing neighborhoods. Records on new development since 1980 suggest that the requirements for discretionary review, which have been in place since the 1970's, have not impeded the development of condominiums in the City. Of the 2,973 gross new multi-family units that received Certificates of Occupancy between 1980 and 1990, 1,947 or approximately 65 percent, were condominiums.

Furthermore, State law requires that cities allow multi-family development by right only when their land inventory reveals insufficient sites to accommodate the City's housing need as projected by RHNA. Because the City's land inventory does show adequate sites (see Section 2(D) of this Element), the City is not required to allow multi-family development by right.

### **Neighborhood Downzonings**

In 1989 and 1990, the City adopted new residential development standards for the Ocean Park and North of Wilshire areas, reducing allowable densities and effectively reducing the City's theoretical dwelling unit capacity by 1,127 units between the two neighborhoods. Nevertheless, the new zoning regulations for both neighborhoods include provisions to hold affordable housing harmless from downzoning. In other words, where a residential development project contains 100 percent affordable units, it may be built under the density standard applicable to the zone prior to the downzoning.

The City has other regulations that help to mitigate the effects of downzoning. For example, the City allows residential development in most commercial zones (see Table 20, Section 2D). Moreover, in the BCD, C3, and C3C districts, the City offers special incentives for housing. In the BCD District, residential uses are permitted by right, and projects consisting of at least 50 percent residential uses are eligible for a fifteen foot height bonus. In the C3 District, projects consisting of at least 50 percent residential uses may receive a one-story (11')

height bonus and FAR bonus of .5, and projects in which the residential portion consists of at least 49 percent low and moderate income housing may receive a full 1.0 FAR bonus. Finally, in the C3C District, any floor area devoted to residential use is eligible to receive an FAR discount of 50 percent. The City is also in the process of developing new policies to proactively encourage residential development in commercial zones.

The following low and moderate income housing projects are expected to be built in commercial zones during the period of this Housing Element:

<u>Fiscal Year</u>	<u>Location</u>	<u>No/Type of Units</u>
Completed	Third St. Senior Housing	72 new units
92-93	1423 Second Street	44 new SRO units
93-94	Fourth Street Senior Housing	66 new units
93-94	Lincoln/Ashland	45 new family units
TOTAL UNITS		227

The projects on Third and Fourth Streets will be built over City owned parking structures in commercial districts. The Second Street and Lincoln/Ashland projects will involve mixed use retail/residential development.

In light of the recent changes to density standards in the Ocean Park and North of Wilshire areas, the City is also examining the possibility of rezoning some non-residential land for residential use. The policy would rezone portions of the City's "C5" (high intensity commercial) and "M1" (light industrial/manufacturing) zones to high density residential. These areas would be classified as a "Residential-Transitional" or "RT" zone. The

area under consideration includes approximately 50 acres. The allowable development intensity standard in the RT zone would be based upon a Floor Area Ratio (FAR) formula, rather than the maximum unit density/lot size criteria normally used in residential zoning. This RT zone would also allow up to 20% of the total potential square footage to be designated for neighborhood serving commercial uses.

Assuming 20% of the RT area above is used as commercial, and the average residential unit size is 1,200 square feet (includes circulation), then the total potential number of units at build-out would be 1,815 (50 acres - 20% = 40 acres x 43,560 [sq.ft./acre] = 1,742,400 sq. ft. x 1.25 FAR = 2,178,000 / 1,200 sq.ft. unit = 1,815). This of course would not be realized in the immediate term, but over a longer period of time, such as twenty years.

#### **Other Zoning Incentives for Affordable and Special Needs Housing**

In July, 1992, largely in response to the crisis of homelessness that has affected not only Santa Monica but the entire region, the Santa Monica City Council adopted Ordinance #1635 (CCS) establishing new standards to facilitate the development of affordable and special needs housing, including senior and senior group housing, transitional housing, SRO's, congregate housing, emergency shelters, and housing for low- and moderate-income households. This temporary ordinance is effective for one year and may be renewed for one additional year. The ordinance provides for the following:



o **Planning Fee Waiver:** The ordinance waives all Planning and Zoning review fees for projects that are 100 percent deed-restricted for affordable housing.

o **Expedited Development Review:** Provides for expedited development review within the Planning and Zoning Division for projects that are 100 percent affordable.

o **Special Needs Housing by Right in Residential Zones:** Permits senior and senior group housing, transitional housing, SRO housing, congregate housing, and domestic violence shelters by right in all multi-family residential districts.

o **Special Needs Housing by Right in Commercial Zones:** Permits single family housing, multi-family housing, shelters of less than 55 beds, domestic violence shelters, congregate housing, transitional housing, single room occupancy housing, senior housing, and senior group housing by right in the BCD, C2, C3, C3C, C4, C6, CM, and CP zones.

o **Exemption from Story Limit:** Exempts 100 percent affordable housing projects from the applicable limits on the number of stories. Such projects would still be subject to applicable height limits in each zone.

o **Height Bonus:** Offers height bonus of ten (10) feet for 100 percent affordable housing projects in non-residential zones, subject to consistency with the General Plan Land Use Element.

o **Augmented Density Bonus:** In addition to the State-mandated density bonus, the ordinance provides for an additional density bonus equal to the State density bonus. Thus, if a project were eligible for a two-unit bonus, an additional two units would be possible through this provision.

o **Reduced Parking Requirements:** Reduces parking requirements for affordable housing, senior housing, shelters, congregate care housing, and transitional housing. For example, deed-restricted one-bedroom units would require one space per unit rather than two normally required, while deed-restricted two-bedroom units would require 1.5 spaces per unit rather than two spaces per unit.

o **Floor Area Bonus:** Offers floor area bonus in non-residential zones. That is, one hundred percent affordable housing projects are eligible for a 50 percent floor area bonus in non-residential zones.

## **Conclusion**

While the City has a variety of zoning regulations that might constrain the density and scale of housing development in the city, it should be noted that even the City's least dense multifamily district--the R2 district--has a minimum density of 1500 square feet per unit, or 29 units per acre, and that the City's most intensive residential zone (R4) allows up to 49 units per acre. In developing and refining its residential development standards over time, the City has attempted to balance the goals

to provide for affordable housing and simultaneously protect the integrity of existing neighborhoods. The City's far-reaching incentives for affordable housing, including the provisions of Ordinance #1635, testify to the City's firm commitment to providing housing opportunities for all income segments of the community.

### Codes and Enforcement

Santa Monica is currently using the 1991 edition of the Uniform Building Code. These codes contain requirements for insulation to achieve an interior noise level of 45 DBA, as well as to reduce energy consumption. This insulation will ensure achievement of environmental goals and reduce the long range cost of housing, but will increase the initial cost of each unit to the consumer.

It is the City's policy to maintain and preserve residential units throughout the City and work with property owners to ensure residential units are safe and habitable. Through its enforcement process the City does not require removal of habitable dwellings.

City staff has developed a draft seismic safety ordinance which would require the upgrading of unreinforced masonry structures (URMS) to withstand the maximum probable earthquake in the City. While the vast majority of the structures that would be affected are commercial, some residential structures will be affected.

Prior to 1989, a study of URM's with the City reveal that approximately 15 rent-controlled structures, containing about 350 units, would need reinforcement. Since the initial review of URM's, 5 buildings totaling about 125 units have been voluntarily retrofitted to bring them into compliance with minimum seismic safety standards. This has been completed without any permanent tenant relocations or displacements.

Furthermore, under the City's current code, non-conforming uses--apart from those that require seismic retrofitting--have "grandfather" status, in that they are evaluated under the prior zoning code. These structures are not required to be phased out and may remain as long as they conform to existing health and safety codes.

#### **Onsite and Offsite Improvements**

As a part of the development review process, the city can require the provision of onsite and offsite improvements, such as streets, sidewalks, alleys, utility undergrounding, street lights, or landscaping. The decision to require such improvements is part of the discretionary review involved with subdivision or development review permit processing, and may increase the cost of development. However, the city is fully developed, and most areas already have the necessary offsite improvements. The infrastructure of the city (streets, sidewalks, water, sewer, and drainage systems) is in place and considered adequate to handle the residential development permitted under the General Plan and Zoning Ordinance.



Sewage from the City of Santa Monica is treated at the Hyperion Sewage Treatment Plant operated by the City of Los Angeles. The City of Los Angeles has determined that the plant is operating at or very near its full capacity, and has asked all jurisdictions which send sewage to the Hyperion plant to limit the rate of increase of wastewater flowing to the plant until such time as expansion and improvement of the plant can be accomplished. Santa Monica has adopted a system of allocating sewer capacity to ensure that the rate of increase is no greater than 1.36 percent annually. Projects which have completed the development review process and have all of their required approvals must apply to the Director of General Services for a sewer allocation permit on a first come, first served basis. However, priority is given to lower income housing projects, day care centers, homeless shelters, small (1 to 4 unit) residential projects intended for occupancy by the owner, and public facilities. In addition, new developments can get extra credit for sewer capacity by retrofitting older units with water-conserving equipment to reduce the overall sewage generation in the city.

### **Fees and Exactions**

The city charges fees to offset the costs associated with permit processing. A 1988 study resulted in a revised fee schedule for planning approvals. Table 28 contains the fees currently in effect in the city and Table 29 compares them to those of other jurisdictions in the area. Santa Monica's fees are higher than the average of nearby jurisdictions, but not the highest.

However, in addition to standard processing fees, the city charges the following fees for residential development:

- + Business License Tax. Applicable to developments of 4 units or more, the Business License Tax on residential property is \$75.00 for the first \$60,000.00 of gross receipts and \$1.25 per each \$1,000.00 of gross receipts thereafter.
- + Rent Control Registration. Annual fee of \$132 per controlled unit.
- + Park and Recreation Tax. \$200 per unit (one time tax)
- + Residential Dwelling Tax. \$1,000 per unit (one time tax)
- + Condominium Tax. \$1,000 per unit (one time tax)

These fees may serve to increase the cost of constructing new housing in the city beyond the cost in surrounding jurisdictions.

TABLE 28

## 1991 CITY PLANNING FEES

Adjustment	\$	330
Appeal		
Planning Commission	\$	100
City Council	\$	100
Architectural Review		
Minor (signs and projects under 15,000 square feet)	\$	130
Major (projects over 15,000 square feet)	\$	345
Business License Review	\$	25
Certificate of Appropriateness		
Minor (signage, paint color, mod., exterior mod., and additions under 10,000 square feet)	\$	350
Major (adaptive reuse, building restorations, additions 10,000 square feet and over, demolitions, and/or relocation of landmark buildings	\$	550
Certificate of Compliance	\$	435
Conditional Use Permit	\$	1,630
Deed Restriction	\$	250
Demolition Permit	\$	190
Development/Site Review	\$	2,250
Environmental Study		
Initial Study	\$	2,475
Environmental Impact Report	\$	2,500
Final Map	\$	350
General Plan Amendment	\$	2,240
Home Occupation Permit	\$	35
Landmark Designation	\$	850
Plan Check	\$	60
Residential Building Report	\$	25

TABLE 28 (CONT'D)  
1991 CITY PLANNING FEES

Tentative Map/Reversion to Acreage	\$	700
Use Permit/Variance	\$	600
Zone Change	\$	2,425

Source: Community and Economic Development Department,  
City of Santa Monica.



TABLE 29

## 1988 DEVELOPMENT FEES IN THE SANTA MONICA REGION

Type of Application	Beverly Hills	Culver City	El Segundo	Hawthorne	Hermosa Beach	Inglewood	Manhattan Beach	Redondo Beach	City of L.A.	Co. of L.A.	Average	Median
Zone change/ Reclassification	\$1,000	\$541	\$500	\$564	\$450	\$500	\$625	\$750	\$1,405 Resi. \$3,462 Nonresi.	\$2,015	\$930	\$625
Variance	\$785	\$432 1 of 2 DU 702 Other	\$235 Res. \$375 Other	\$376	\$320	\$700	\$625	\$250	\$4,213 w/hear. \$2,890 wo/hear.	\$1,335 \$270 Env. assmt.	\$673	\$625
Conditional Use Permit	\$785	\$432 1 or 2 DU \$702 Other	\$235 Res. \$375 Other \$470 w/hear.	\$376	\$320	\$750	\$625	\$625	\$2,613 ABC Dining. Res \$2,076 Other	\$1,335 \$270 Env. assmt.	\$546	\$625
Unclassified Use Permit	N/A	N/A	\$500	\$617	N/A	N/A	\$625	\$625	N/A	N/A	\$592	\$621
Precise Plan/ PRD Plan/ Specific Plan	\$364	\$324	\$500	N/A	N/A	N/A	\$625	\$400	\$415	\$1,710 Gen. Plan	\$620	\$415
Rehearing or Appeal	\$171	50% of filing fee	\$95	N/A	\$349	\$300 Spec. use permit \$90 Zone adj. \$275 Zone var. \$100 Zone chg.	\$160		50% filing fee or \$61 if aggrevied party	N/A	\$178	\$160
Subdivision	\$927	\$324 Tent. Par. \$541 Tent. Tract Map \$11 per lot for each lot above 11	\$350 Plus \$25 for each parcel or acre over 4	\$403	\$450 Lot Split \$225 Tent. Par Map \$125 Fin. Parcel Map	\$650 Par. Map Final \$350 Tract Map plus \$30 per unit map	\$180 Tent. \$375 Tract or Par. Map	\$400	\$1,470 Plus \$50/unit plus \$125 per acre plus 21%	\$300 or \$30/un for 1-25 units \$20/un for 26-50 units \$15/un for 51-100 units \$10/un for 101-200 units \$5/unit for 201+ units	\$471	\$403 Tent.

## Processing and Permit Procedures

Local governments can discourage residential construction by increasing the time and uncertainty involved in gaining development approval to the point that the costs of processing (including carrying costs on the property) make the project uneconomical, or the complexity and length of the process in order to discourage all but the most motivated of developers. For residential development, permits may be necessary from a variety of departments, such as a permit to remove rental units from the Rent Control Board, Planning Commission approval of a subdivision map and site plan, and a sewer allocation permit from the General Services Department. Nonetheless, processing time for residential projects in the City is not excessive. Nondiscretionary projects located outside the coastal zone can complete the review process in 3 to 4 months. All others average 6 to 7 months. The actual review time is dependent on the size and location of the project, and whether it is designed to meet city standards or involves requests for waivers of development standards.

That portion of Santa Monica within the coastal zone established by state law is required to get approval of a coastal development permit from the California Coastal Commission, because the city's Local Coastal Plan has not been approved by the Commission. Developers of virtually all projects in the coastal zone must receive Coastal Commission approval. Some Coastal Commission development guidelines are more stringent than those adopted by the city, and developers must be aware of them. If the city can

reach agreement with the Commission, and win approval of the Local Coastal Plan, the processing of coastal development permits will be the city's responsibility.

Review of the environmental impacts of proposed development under the California Environmental Quality Act (CEQA), as amended, can also increase the time and cost of processing development applications. If a full EIR is required, the delay can be as much as 6 months. However, in Santa Monica, most housing development proposals involve small projects which do not require extensive environmental analysis. The city makes every effort to focus the environmental review on the few key issues applicable to the project.

Moreover, as indicated in the Land Use Controls discussion above, pursuant to Ordinance #1635 the City provides for expedited development review for projects that are 100 percent affordable.

#### **Article 34**

Article 34 of the state constitution requires that any low rent housing project developed, constructed, or acquired by a public agency must first be approved by a majority of the voters living in that jurisdiction. In compliance with this article, the City of Santa Monica put a referendum (Proposition N) before the voters in 1978 in order to win approval to "develop, finance, or rehabilitate, but not own or operate within the city, housing for rental to low and moderate income persons, no less than 50 percent of which shall be reserved for persons age 60 or older, not to exceed in total throughout the city, 1 percent of the

dwelling units in the City." Requiring public approval acts as a constraint to the development of affordable housing.

### Ellis Act

In 1985, state law was changed (SB 505, the Ellis Act) to specifically prohibit cities having rent control ordinances from compelling a property owner to maintain his/her property as rental units. The city can still require the property owner to meet certain conditions before removing the units, but it cannot compel the owner to maintain the property as rental housing. Between the passage of the Ellis Act and June 30, 1991, 183 properties (a total of 874 units) were withdrawn from the rental market. Therefore, the loss of rental units due to the Ellis Act represents a constraint on the availability of rental housing in the City.

### Rent Control

Santa Monica citizens approved an amendment to the City's Charter, creating rent control, on April 10, 1979. The Santa Monica Rent Control Law was enacted to protect tenants from arbitrary evictions and excessive rent increases and to preserve the supply of the City's rental housing stock. The law achieves these goals by establishing eviction controls, controlling rents, and regulating the removal of rental housing units from the market. The legitimacy of this regulatory scheme has been recognized repeatedly. See Schnuck v. City of Santa Monica, 935 F.2d 171 (9th Cir. 1991); Nash v. City of Santa Monica, 37 Cal. 3d 97, 688 P.2d 894, 207 Cal. Rptr. 285 (1984), appeal dismissed,



470 U.S. 1046 (1985); Santa Monica Pines v. Rent Control Board, 35 Cal 3d 858, 679 P.2d 27, 201 Cal. Rptr. 593 (1984); Baker v. City of Santa Monica, 181 Cal. App. 3d 972, 226 Cal. Rptr. 755 (1986), appeal dismissed, 479 U.S. 1073 (1987).

Under the City' Rent Control Law, controlled rental units can be removed from the rental market provided that a removal permit is first obtained from the Rent Control Board. Four categories of removal permit exist as follows: (1) a Category A removal permit which shall issue if the landlord is unable to collect the authorized maximum allowable rent for the unit, (2) a Category B removal permit which shall issue if the authorized maximum allowable rent does not provide a fair return and the landlord cannot rent the unit at the rent necessary to provide the landlord with a fair return, (3) a Category C removal permit which shall issue if the rental unit is uninhabitable and cannot be made habitable in an economically feasible manner, and (4) a Category D removal permit which shall issue if the property will be redeveloped with multifamily rental dwelling units subject to the Rent Control Law with at least fifteen percent (15%) of the units affordable by persons of low income. Only when a Category D removal permit is obtained does the Rent Control Law impose a replacement housing requirement.

Since its inception, there has been concern that rent control might contribute to, rather than ameliorate, the shortage of affordable and adequate housing for all economic segments of the community. One concern is the issue of whether the rent control law negatively affects the construction of multifamily units. A

second concern arises regarding the maintenance of the controlled units.

Regarding the first concern (whether rent control negatively affects the construction of multi-family units), it should be noted that all rental units constructed after April 10, 1979 are exempt from the rent control law. In addition, a study of census data reveals that new multifamily construction levels in Santa Monica have been significantly higher than in neighboring coastal cities which do not have rent control. Table 30 below shows that since the adoption of its rent control program, and compared to cities without rent control, Santa Monica produced more multifamily housing per square mile than all but two cities (Long Beach, and Los Angeles).

TABLE 30  
MULTIFAMILY CONSTRUCTION<sup>1</sup>  
1980 - 1989

<u>City</u>	<u>Total Units</u>	<u>Size: sq.mi.</u>	<u>Per Sq. Mile</u>	<u>Rank</u>
El Segundo	857	5.5	156	5
Hermosa Beach	144	1.4	103	6
Long Beach	12,769	49.8	256	2
Los Angeles <sup>2</sup>	129,112	464.7	278	1
Manhattan Beach	55	3.8	14	7
Palos Verdes Estates	18	4.8	4	8
Redondo Beach	980	6.0	163	4
Santa Monica <sup>2</sup>	1,880	8.2	229	3

<sup>1</sup> U.S. Bureau of Census, Construction Reports - Housing Units Authorized by Building Permits and Public Contracts, Annual (1980-1989 reports, Table 4; Construction Reports C40-80-13 through C40-89-13). Includes unsubsidized rental, subsidized rental, and condominiums in buildings with five or more units. The census does not provide a breakdown of data according to type of multifamily dwelling.

<sup>2</sup> Cities with rent control

Furthermore, data from a recent state-wide survey on local production of affordable housing reveals Santa Monica's forthright acceptance of its responsibility for meeting its share of the region's affordable housing needs. A non-profit agency known as the California Coalition for Rural Housing conducted a survey to discover to what extent the low income housing need was being met. The survey looked at the "need" as expressed in the various local housing elements for 1984-89 cycle, and compared that with reported production of affordable units. The resultant measurement can be thought of as the ratio of fulfillment (of the need). Table 31 reveals that Santa Monica ranked eighteenth (18th) (where 1 equals highest fulfillment ratio) among the

TABLE 31

LOS ANGELES CO. CITIES' AFFORDABLE HOUSING PRODUCTION: 1984-89  
EXPRESSED AS RATIO OF ACTUAL PRODUCTION OVER "NEED"  
BY RANK

<u>No.</u>	<u>City</u>	<u>Housing Need</u>	<u>Housing Produced</u>	<u>Fulfillment of Need</u>	<u>City Rank</u>
1	Lomita	53	150	283.0%	1
2	Commerce	78	114	146.2%	2
3	Bellflower	304	360	118.4%	3
4	Huntington Park	254	300	118.1%	4
5	Paramount	184	217	117.9%	5
6	Inglewood	152	177	116.4%	6
7	South Gate	144	164	113.9%	7
8	Cudahy	94	80	85.1%	8
9	Lakewood	247	201	81.4%	9
10	El Segundo	120	96	80.05	10
11	Long Beach	2352	1679	71.4%	11
12	Covina	202	140	69.3%	12
13	Gardena	296	200	67.6%	13
14	Duarte	255	149	58.4%	14
15	Burbank	386	212	54.9%	15
16	Azusa	160	86	53.8%	16
17	Los Angeles	27270	13951	51.2%	17
18	Santa Monica	541	270	49.9%	18
19	Lawndale	115	56	48.7%	19
20	Glendora	245	105	42.9%	20
21	Monrovia	273	102	37.4%	21
22	La Mirada	214	75	35.0%	22
23	Glendale	1264	327	25.9%	23
24	San Dimas	633	160	25.3%	24
25	Artesia	90	20	22.2%	25
26	Culver City	485	100	20.6%	26
27	Arcadia	542	100	18.5%	27
28	Torrance	678	113	16.7%	28
29	Hawthorne	459	75	16.3%	29
30	Montebello	887	130	14.7%	30
31	San Gabriel	174	25	14.4%	31
32	Downey	373	42	11.3%	32
33	La Verne	162	17	10.5%	33
34	Norwalk	363	38	10.5%	34
35	Alhambra	399	38	9.5%	35
36	Pasadena	1321	109	8.3%	36
37	Redondo Beach	436	28	6.4%	37
38	Lancaster	1995	81	4.1%	38
39	Rolling Hills	2	0	0.0%	39
40	Agoura Hills	214	0	0.0%	40
41	Rosemead	204	0	0.0%	41
42	Walnut	179	0	0.0%	42
43	San Fernando	50	0	0.0%	43
44	South El Monte	28	0	0.0%	44
45	Maywood	102	0	0.0%	45



46	Signal Hill	236	0	0.0%	46
47	West Covina	449	0	0.0%	47
48	Rancho Palos	156	0	0.0%	48
49	Hidden Hills	38	0	0.0%	49
50	Claremont	354	0	0.0%	50
51	Hermosa Beach	147	0	0.0%	51
52	Bell	154	0	0.0%	52
53	La Canada Fl	99	0	0.0%	53
54	San Marino	4	0	0.0%	54
55	Palos Verdes	78	0	0.0%	55
56	Monterey Park	160	0	0.0%	56
57	Manhattan Beach	159	0	0.0%	57
58	Bradbury	5	0	0.0%	58

fifty-eight (58) cities in Los Angeles County which responded to the survey. Santa Monica met fifty percent (50%) of its need, producing 270 low income units toward a need of 541 for the last housing element cycle.

Finally, while the removal permit requirements described above remain part of the Rent Control Law, the Ellis Act, authorizing a landlord to cease operating his or her property as residential rental property, has been judicially interpreted to preempt the removal permit requirement of the Rent Control Law. See Javidzad v. City of Santa Monica, 204 Cal. App. 3d 524, 251 Cal. Rptr. 350 (1988). Thus, a landlord can withdraw from the rental market pursuant to the Ellis Act and redevelop the property without any requirement that the landlord first obtain a removal permit from the Rent Control Board.

While the Ellis Act imposes significant penalties should the owner subsequently utilize this property as residential rental property (see Government Code Section 7060.2), a landlord is otherwise free to redevelop or change the use of the property in accordance with the zoning, land use, and planning regulations of the locality in which the property exists. See Government Code Section 7060.1(b). For instance, prior to the recent economic downturn, it was very common for landlords in Santa Monica to utilize the Ellis Act to withdraw from the rental market, even though the property was economically viable and habitable as rental property, and then redevelop the property as condominiums. Given the Ellis Act's preemption of the removal permit

requirement, no replacement housing requirement was imposed by the Rent Control Board.

Regarding the second concern (maintenance of rent controlled units), the City's rent control regulations provide that an owner be guaranteed the same net operating income being realized one year prior to the enactment of the law, adjusted partially for inflation. The methodology adopts the rationale that prior to any controls, the property owner was free to choose his/her profit level, subject only to market limits, and therefore was realizing a "fair rate of return." Owners who have since experienced increases in operating and capital expenses not compensated for in the annual rent increase granted city-wide by the Rent Control Board can apply for an individual rent increase.

Board records indicate that each year since 1987, when statistical analysis was first begun, the following proportion of applications have been granted in favor of the owner:

<u>Time Period</u>	<u>Proportion Approved</u>
Jan. - Dec. 1987	66%
Jan. - Jun. 1988	74%
FY 1989	74%
FY 1990	85%
FY 1991	69%

Upward rent adjustments granted to cover rising operating expenses are permanent, while increases allowed for capital improvements to the property are amortized over the useful life

of the improvement, then "dropped off" from the rent according to a pre-determined schedule.

Moreover, it is important to note that there are two main goals of the rent control program. One is to limit rent increases beyond that which provide an owner with a fair return, while at the same time allowing for enough income to cover maintenance and capital improvement expenses. The other goal is to maintain the existing affordable rental housing stock, while providing incentives for new development which will not result in a net loss of affordable units.

In a recent article on rent control (see Appelbaum et al, "Scapegoating Rent Control: Masking the Causes of Homelessness", APA Journal, Spring 1991, pages 153-164), Richard P. Appelbaum asserts that rent control does not discourage investment in, or maintenance, of rental housing:

A comprehensive review [of numerous empirical studies]...finds that such controls have not caused a decline in construction, capital improvements, maintenance, abandonment, or demolition of controlled units relative to noncontrolled ones. This is because of the nonrestrictive nature of moderate controls, which, as we have seen, guarantee landlords a fair and reasonable rate of return. Rent controls eliminate extreme rent increases, particularly in highly inflationary markets, but they do not eliminate the profits necessary to encourage investment in private rental housing (Gilderbloom 1984, 1986; Heffley and Santerre 1985; Millenkopf and Pynoos 1973; Daugherbaugh 1975; Vitaliano 1983).

Thus, while rent control may lower profits, it does not eliminate profits necessary for maintenance. Appelbaum further points out that moderate rent control ordinances, including Santa Monica's,



peg annual rent increase to increases in the landlord's costs, thus accounting for maintenance costs.

Empirical studies have also indicated that rent control has a positive impact upon housing affordability--that is, the relationship between income and housing costs--particularly for groups that rent control is intended to benefit. In a study of rent control in the City of Santa Monica, Levine, Grigsby et al note the following:

In 1979-80, the average shelter cost was 34 percent. In 1987, the average rent for a tenant household had declined to approximately 30 percent. Much of these savings were accrued by lower income households...to sum up, the Santa Monica rent control law has benefited tenants at virtually every rent level. In relation to income, the savings have been greater for lower income households. (Levine et al, "Who Benefits from Rent Control?," APA Journal, Spring 1991, pages 140-152).

Thus, rent control has had a positive effect upon housing affordability in the City.

Based upon the preceeding information, we find no evidence that the City's rent control charter amendment has had a negative impact on the maintenance and construction of affordable housing. As was outlined above, programs pursuant to the rent control law provide mechanisms for both supplemental rent increases following capital improvements to property, as well as the redevelopment of property to include market rate units. The data reveals that Santa Monica's housing production record, both affordable and otherwise, rates better than cities without rent control. Furthermore, such research can only suggest that the factors relevant to particular housing environments are both complex and

unique. Therefore, each city in addressing its own housing need requires programs which are similarly unique and tailored to their specific situation.

### Proposition R

In November, 1990, Santa Monica voters approved Proposition R requiring 30 percent of all new multi-family construction of two or more units be affordable to low and moderate income households. Pursuant to Ordinance #1615, adopted to implement Proposition R, projects of 20 or more units must provide the inclusionary units on site. However, under certain circumstances projects of less than 20 units have the option to pay an inclusionary (in lieu) fee instead of building all the units on site. More specifically, under certain circumstances projects of six or fewer units may pay an inclusionary fee in lieu of providing any units on site, while projects of between 7 and 19 units may pay the inclusionary fee instead of providing the required low-income units on site. The required moderate income units must be provided on site.

In adopting specific thresholds for the on site/in lieu fee option, the City Council considered an economic feasibility analysis involving various on site/in lieu fee options which demonstrated that construction of affordable housing pursuant to the Proposition R implementing ordinance would be economically feasible.

Furthermore, the City Council found that the vast majority of new housing units being constructed in the City were not affordable

to persons of low- or moderate-income, that existing inclusionary requirements were inadequate to meet the City's affordable housing needs, and that there was inadequate federal and state support for programs to assist the City in meeting its affordable housing needs. The City Council adopted the Proposition R implementation ordinance with the goal of increasing the likelihood that affordable housing would be built in the City.

City records on multi-family residential development suggest that the Proposition R implementing ordinance has not deterred new development. Since adoption of the Proposition R implementing ordinance on March 3, 1992, and in spite of the economic recession, the City has received applications for 4 multi-family residential projects totaling 36 units. These pending projects would provide 6 on-site affordable units and pay in lieu fees for another 2.9 affordable units. During the same time period, the City has approved 6 multi-family projects totaling 51 units. These approved projects will provide 8 on-site affordable units and in lieu fees for 2.9 affordable units (dwelling units associated with the 14-unit condominium project at 1018 4th Street are reflected in figures for both pending and approved projects since application for this project was submitted and approved during this time period).

#### **Construction Rate Program**

In 1990, as part of the adoption of new zoning regulations for the North of Wilshire area, the City established the Construction Rate Program. This program limits the number of new multifamily residential projects within any given block area. More

specifically, projects of two or more dwellings are limited to one project per block or within 300 linear feet in the north and south direction of the project. The time limit applies for a period of eight months from the issuance of the building permit.

The purpose of the construction rate program is to reduce the potential for the disruptive effects of construction--noise, traffic, and dust--on a given block area. In recent years the North of Wilshire neighborhood has been disproportionately subjected to the disruptive effects of construction noise, dust, and traffic, warranting the special provisions of the construction rate program. The program does not prohibit new development; rather, it staggers development so as to reduce the concentration of construction effects on a given area. This program applies exclusively to the North of Wilshire area, which comprises only 7 percent of the City's residentially zoned land.

This program represents an attempt by the City to balance the goal of promoting the construction of new housing for all income groups (Housing Element, Goal A.1) with the goal of protecting the quality of life in all residential neighborhoods (Objective 1.1, Land Use Element). Furthermore, because this program affects a small proportion of the City's residentially zoned areas, it represents a minimal constraint upon new development. Thus far, no projects have been delayed as a result of this program.



## Landmarks and Historic Districts Ordinance

The City adopted a Landmarks and Historic Districts Ordinance in 1976, establishing the Landmarks Commission and delegating to the Commission the authority to designate landmarks and make recommendations to the City Council for historic districts. Since the adoption of the Landmarks and Historic Districts Ordinance in 1976, the City has designated 20 landmarks and established one historic district, the Third Street Neighborhood Historic District. Between landmark designations and the Third Street Historic District, 46 residences have been designated either as landmarks or contributing historic structures. This represents an average of about 3 residential structures per year over a 16 year period. Both in terms of the overall number of designated residential properties as well as the rate of these designations, the Landmarks and Historic Districts Ordinance has impacted relatively few properties and therefore does not represent a significant constraint on new development.

Strict timelines apply to prevent the historic designation process from being used to stall new development. For instance, once an application for landmark's designation is filed, a Formal Consideration Public Hearing must be conducted within 60 days in order to determine if the application merits further consideration.

Furthermore, the Housing Element attempts to balance the need to accommodate new development and recycling on the one hand with

the goal to preserve and protect existing housing on the other. Goal B-2 of the Housing Element states: "Promote the rehabilitation and continued maintenance of existing housing wherever feasible". Program B-2.d concerning the Landmarks and Historic Districts Ordinance is intended to support this goal.

To facilitate the preservation of designated structures, the city has recently created several preservation incentives for owners of designated properties. These incentives include: the elimination of building permit fees, administrative planning fees and Certificate of Appropriateness fees; parking incentives; and, the implementation of a property tax reduction program.

## SECTION 4

### ENERGY CONSERVATION

The City, together with some of the utility companies that serve the City, has sponsored a variety of programs to encourage energy conservation.

From 1982 to 1984, the City co-sponsored the Energy Fitness Program with Southern California Edison (SCE) and Southern California Gas (So Cal Gas). This \$1.5-2 million program reached over 14,000 households in the City, providing hot water heater insulators, faucet aerators, weather stripping for 1 door and window, and low-flow showerheads.

Currently the City also co-sponsors the Fluorescent Bulb Retrofit Program with SCE. Available to low-income households, this program provides up to six fluorescent light bulbs to both renters and homeowners. Fluorescent bulbs use 75 percent less electricity than regular incandescent bulbs.

The City is also in the process of developing various other new energy conservation programs including credits programs and retrofit programs.

Utility companies serving Santa Monica, including Southern California Gas and the Department of Water and Power, sponsor other energy conservation programs on their own. So Cal Gas sponsors a Rebate Program and a Low Income Direct Assistance Program. Under the Rebate Program, the company provides rebates to customers for caulking, weather stripping, attic insulation,

forced air furnaces, water heater blankets, and duct wraps. Customers must install devices that meet minimum standards in order to qualify for the rebate. Under the Low Income Direct Assistance Program, So Cal Gas provides direct assistance to low-income customers for the same types of energy conservation devices that are promoted under the Rebate Program. So Cal Gas also sponsors the Appliance Repair and Replacement Program to assist low-income customers in replacing malfunctioning or inefficient furnaces, stoves, or water heaters.

The Department of Water and Power sponsors two major energy conservation programs for residents. The Heat Pump Program offers cash incentives to customers for the purchase and installation of high efficiency heat pumps. The Conservation Loan Program provides loans to customers as an incentive for both energy and water conservation. Energy loans are provided for solar heating, heat pumps, solar screens and shades, awnings, insulation, weatherization, and conversion of master-metered apartment buildings. Water conservation loans are available for shower heads, drip irrigation systems, retrofit devices, pressure regulators, and landscape irrigation timers. Loan approval is conditioned upon an energy audit. Loans amount cannot exceed \$7,500 for individual units or \$50,000 for multi-family buildings.

In addition to these measures, the City verifies compliance with all Title 24 energy conservation standards applicable to new residential development in the City.



## SECTION 5

### SUMMARY OF HOUSING NEEDS

The previous sections have discussed the existing profile of Santa Monica's residents and its housing market. The conclusion is that there are a variety of housing needs in the community corresponding to the diversity of household and housing types. These needs can be categorized, however, in one of the following groups:

- + Housing Production. There is a need to develop new housing on sites suitable for residential use in order to accommodate a growing population and ensure a choice of housing types and prices to meet the needs of all segments of the community. Based on the Regional Housing Needs Assessment prepared by SCAG, a total of 3,220 units need to be added to the city's housing stock by 1994. This would represent a 6.9 percent increase in the existing housing stock.
- + Housing Conservation and Improvement. There is a need to maintain and improve the existing housing stock in sound condition and at affordable prices, since it is generally less expensive to maintain and improve existing units than it is to build new ones. Based on the city's Housing Assistance Plan, there are 2,327 substandard units in the city, 1,813 of these are considered suitable for rehabilitation and 514 of which should be replaced.
- + Housing Assistance. Some households will need special assistance to continue to reside in Santa Monica. This includes both low income households, and those with special housing requirements. The Regional Housing Needs Assessment estimates that there are 11,187 lower income households who are paying more than they can afford for housing in Santa Monica. Over 95 percent of these are renters. In addition, approximately 1,500 homeless people are expected to need assistance each year over the next 5 years.

- + Balance Housing Goals with Other City Goals. The City of Santa Monica has many goals, such as the need to balance jobs and housing, the desire to protect and enhance environmental and historic resources, the goal of maintaining existing levels of service for utilities and public services. Programs undertaken in pursuit of these goals may affect the city's ability to meet its housing goals.
  
- + Citizen Participation. The City of Santa Monica encourages maximum participation of its citizens in the decision making process. There is a particular need to ensure that residents are consulted about programs and policies which affect their homes and neighborhoods.

The goals, policies, and implementation programs which the City of Santa Monica has adopted to address these needs are contained in the following section.

## SECTION 6

### GOALS, POLICIES, AND PROGRAMS

California State law (Section 65583(b)(1)) requires that the Housing Element provide a statement of the community's goals, quantified objectives, and policies relative to the maintenance, preservation, improvement, and development of housing. This section of the Housing Element is designed to satisfy this requirement.

The basic goal of the City of Santa Monica is to meet the existing and projected housing needs of all its residents and its regional responsibilities for decent, affordable housing opportunities for all social groups while maintaining an economically sound and healthy environment. Within that context, the city has established the goals, policies, and programs described below. Table 33 relates the city's housing programs to the goals and policies which they implement.

#### QUANTIFIED OBJECTIVES

The City has developed quantified objectives for new housing production as well as housing conservation and housing assistance.

#### Housing Production

As discussed in Section 2(E) of the Housing Element, the Regional Housing Needs Assessment (RHNA) indicates a need for 3,220 new dwelling units in the City during the 1989-1994 planning period.

While the City's inventory of available sites for new development indicates that there are sufficient sites available to accommodate this new development, based upon the City's recent history it is doubtful that the entire SCAG-projected need will be met during the planning period.

The City's housing production objective for the 1989-1994 planning period is 1,150 units. Table 32 shows the projected housing need by income group as estimated by RHNA as well as the quantified objectives for each income group as determined by the City. Under the requirements of Proposition R and implementing Ordinance 1615 (CCS), 30 percent of all new multi-family units must be affordable to low- and moderate-income households. Therefore, of the 1,150 new units projected to be built during the 1989-1994 planning period, 346 will be affordable to low- and moderate-income households. (This assumes that the net new housing development in the City will be exclusively multi-family, a realistic assumption considering the very limited number of vacant parcels in single family zones in the City.)

#### **Housing Conservation and Improvement**

The City anticipates that it will assist in the the rehabilitation of 500 units during the planning period.

#### **Housing Assistance**

The City will continue to provide rental assistance to 768 lower income households and increase the number of households receiving assistance commensurate with federal funding. The City will also



TABLE 32  
1989–1994  
QUANTIFIED OBJECTIVES  
BY INCOME GROUP

Income Category	Estmtd Need '89–'94 (RHNA)	Quantified Objective*
Very Low ( $\leq 60\%$ )	569	173
Low ( $> 60\%, \leq 80\%$ )	785	(See "very low")
Moderate ( $> 80\%, \leq 120\%$ )	615	173
Above Mod ( $> 120\%$ )	1,251	804
<b>TOTALS</b>	<b>3,220</b>	<b>1,150</b>

HEQuanOb

Under the requirements of Proposition R, 30 percent of all new multi-family construction in the City must be affordable to low- and moderate-income households. These affordable units must be evenly distributed between the two income groups.

assist in the provision of services to the homeless as needed. An average of 1,500 persons will receive emergency assistance each month and the city hopes to facilitate the development of emergency shelters and construct 75 units of transitional housing.

TABLE 33

## PROGRAM AND POLICY RELATIONSHIP

<u>Goal Set</u>	<u>Implementing Programs</u>
A. Housing Production	A.1.a Periodic review and revision of planning and zoning
1. Promote the construction of new housing for all income groups	A.1.b Review housing impacts of proposed ordinances and programs
	A.1.c Expedited permit system
	A.1.d ARB guidelines
	A.1.e Development agreements
	A.1.f Relocation assistance
	A.1.g Rezone non-residential areas for residential use
	A.2.a Inclusionary zoning
	A.2.b CCSM
	A.2.c Housing for homeless people
	A.2.d Air rights development
	A.2.g Density bonuses
	A.2.h Special needs housing
2. Increase the supply of housing affordable to low and moderate income persons	A.1.b Review of housing impacts of proposed ordinances and programs
	A.1.e Development agreements
	A.2.a Inclusionary zoning
	A.2.b CCSM
	A.2.c Housing for homeless people
	A.2.d Air rights development
	A.2.e Funding for affordable housing
	A.2.f Leverage city funds
	A.2.g Density bonuses
	A.2.h Special needs housing
	A.2.i Land Banking

TABLE 33 (continued)

<u>Goal Set</u>	<u>Implementing Programs</u>
B. Housing Conservation and Improvement	A.1.b Review housing impacts of proposed ordinances and programs
1. Protect the existing supply of affordable housing	B.1.a Rent control
	B.1.b Conversion controls
	B.1.c Protect mobilehome parks
	B.1.d Replace rental units when demolished
	B.1.e Limited equity cooperatives
	B.1.f Limit grounds for eviction
	B.1.g Incentive housing program
2. Promote the rehabilitation and continued maintenance of existing housing wherever feasible	A.1.b Review housing impacts of proposed ordinances and programs
	A.2.b CCSM
	A.2.e Funding for affordable housing
	A.2.f Leveraging city funds
	B.1.b Conversion controls
	B.2.a Rehabilitation Program
	B.2.b Code enforcement
	B.2.c Target rehabilitation program
	B.2.d Encourage historic preservation
C. Housing Assistance	A.2.a Inclusionary zoning
1. Provide assistance to those low and moderate income households who need it	A.2.b CCSM
	A.2.c Housing for homeless people
	A.2.d Air rights development
	A.2.e Funding affordable housing
	A.2.g Density bonuses
	A.2.h Special needs housing
	B.1.a Rent control
	B.1.b Conversion controls
	B.1.c Protect mobilehome parks
	B.1.f Limit grounds for eviction
	B.1.g Incentive housing program
	B.2.a Rehabilitation program
	C.1.a Section 8 and housing vouchers
	C.1.b Home access
	C.1.c Hotel vouchers for homeless people



**TABLE 33 (continued)**

<u>Goal Set</u>	<u>Implementing Programs</u>
2. Eliminate discrimination in rental or sale of housing on the basis of race, religion, national origin, sex, sexual preference, age, disability, family status, AIDS, or other such characteristic	C.2.a Fair housing C.2.b C,C&R for fair housing
D. Balance housing goals with other city goals	A.1.b Review housing impact of proposed ordinances and programs
1. Promote quality housing and neighborhoods	D.1.a Residential safety D.1.b Energy and water conservation D.1.c Mitigation monitoring D.1.d Coastal zone housing D.1.e Job/housing balance
E. Citizen Participation	E.1.a Public notice
1. Promote the participation of citizens, community groups, and governmental agencies in housing and community development activities	E.1.b Periodic review of housing policy

**A. HOUSING PRODUCTION**

The City's Zoning Ordinance contains a variety of provisions to facilitate the production of housing affordable to all income groups, including density bonuses, reduced parking requirements, relaxation of other development standards, fee waivers, and FAR/height bonuses in commercial districts.

Within all residential zones, the City permits a 25 percent density bonus for low-and moderate-income housing per state law. Beyond this, within the Ocean Park (OP) zones, the Zoning

Ordinance permits a density bonus of up to 75 percent in the OP-2 zone for projects containing 4 or more units when all of the bonus units are permanently deed-restricted for low-income households. Within the OP-3 and OP-4 zones, the Zoning Ordinance permits up to a 50 percent density bonus for projects of 4 or more units when all the density bonus units are permanently deed-restricted for low-income households. Also in the OP-3 and OP-4 zones, projects of 3 or 4 units may receive a bonus of one unit when the density bonus unit is permanently deed-restricted for a middle-income household. Finally, in the North of Wilshire (NW) overlay District, the Zoning Ordinance permits an increase in density of approximately 28 percent in the R3 District and approximately 17 percent in the R2 District, provided in both cases that 100 percent of the proposed units are deed restricted for very low-or moderate-income households.

The Zoning Ordinance allows for reductions in parking requirements for senior and low- and moderate-income housing. In the case of senior housing, the Zoning Administrator may approve a reduced parking permit if findings can be made that the project is located in proximity to commercial and transit services. In the case of low- and moderate-income housing, the Zoning Administrator may approve reduced parking as long as the appropriate covenants, deed restrictions, and other agreements can be executed.

The City has recently adopted Ordinance #1612, which provides for new variance procedures to relax certain development standards for projects conforming to the state density bonus guidelines.

The new provisions would allow encroachment into as much as 15 percent of one side yard setback and 15 percent of either the front or rear yard setback, and allow an increase in parcel coverage by up to 10 percent of the parcel area (except in zones where an increase in parcel coverage for state density bonus projects is already permitted).

Even more recently, the City has approved a resolution permitting fee waivers for housing developments that are 100 percent affordable to moderate income households. Resolution #8384 exempts projects that are deed restricted to low- and moderate-income households from planning review (i.e., processing) fees.

In July 1992, the City adopted a temporary ordinance, pending preparation of a permanent ordinance, to facilitate affordable and special needs housing. The provisions of the ordinance include reduced parking requirements, planning fee waivers and expedited development review for 100 percent affordable projects; a 50 percent FAR bonus for affordable projects in residential zones; a 10-foot height bonus for affordable housing project in non-residential zones; an augmented density bonus which effectively doubles the State mandated bonus; and, permitted use of shelters, senior group housing, transitional housing, SRO's and other special needs housing in many residential and commercial zones which previously did not allow such uses by right.

The Zoning Ordinance not only permits but also encourages residential development in most commercial zones. Residential development is permitted by right in the BCD, CP, and RVC Districts; and, by performance standard permit in the CM, CC, C2, C3, C3C, C4, and C6 Districts. In addition, the City offers special incentives to encourage residential development in certain zones. For example, the BCD District offers a 15-feet, one-story height bonus if at least 50 percent of the project square footage is devoted to residential use; the C3 District offers a one-story height bonus and .5 FAR bonus if 50 percent of the project square footage is devoted to residential use; and, the C3C District offers a 50 percent FAR discount for floor area devoted to residential use.

**GOAL A-1: PROMOTE THE CONSTRUCTION OF NEW HOUSING FOR ALL INCOME GROUPS.**

POLICY A-1.1: Provide adequate sites for all types of housing.

POLICY A-1.2: Provide flexible development standards, if necessary, to promote housing while protecting quality of life goals.

POLICY A-1.3: Ensure that taxes and fees affecting housing are no greater than are in the public interest.

POLICY A-1.4: Encourage and create incentives for the development of housing in conjunction with commercial development where appropriate.



POLICY A-1.5: Support programs geared to increasing housing throughout the region.

POLICY A-1.6: Obtain new Article 34 authority if required.

IMPLEMENTATION PROGRAMS: Although several of the following programs could readily fit under other goals, they are included in this section because they primarily address the goal of increasing housing production citywide.

Program A-1.a (Modification of an existing program): Periodic review and revision of planning, zoning, and development regulations to ensure an adequate supply of sites for a variety of housing types and prices.

Accomplishments to Date: Since the housing element was adopted in 1983, the city has reviewed and revised the land use and circulation elements of the general plan and rewritten the zoning ordinance. The revised land use and zoning maintained the residential designations on existing residential neighborhoods, and resulted in the creation of mixed use districts to encourage the development of residential units in conjunction with commercial development. In July, 1992, the City approved an ordinance to facilitate affordable and special needs housing through a variety of relaxed development regulations and incentives, including reductions in parking requirements, fee waivers, expedited development review, a height bonus, an augmented density bonus, and other provisions.

1989-1994 Goals: During the 1992/1993 Fiscal Year, the City will consider adopting a new program to provide for housing in commercial developments in specific commercially zoned areas by mixed use requirements, incentives, or other means. During the 1993/1994 Year, the City will review the impact of changes to commercial and residential development standards (such as parking, landscaping, and setbacks) on the production and cost of housing.

Implementation: The Land Use and Transportation Management (LUTM) Department will implement this program.

Program A-1.b (Continuation of an existing program): Review the impact of proposed ordinances, assessments, and fees on housing affordability and availability.

Accomplishments to Date: The city has recently completed a study of its permit processing and development fees to determine whether they are reasonable in light of the costs of providing services.

1989-1994 Goals: During the 1992/93 Fiscal Year, the City will adopt regulations allowing planning fee waivers and expedited development review for projects containing 100 percent affordable housing. During the 1993/94 Fiscal Year, Staff will investigate the feasibility of waiving other development fees, such as water, sewer and building permit fees, for developments that are 100 percent deed restricted for affordable units.

Implementation: The Land Use and Transportation Management Department will implement this program.

Program A-1.c (Continuation of an existing program): Provide an expedited and coordinated permit system.

Accomplishments to Date: The city is developing a computerized data base containing information on each parcel of land in the city, including information on any proposed building or development projects and the status of the review process. Information will be retrievable by address, assessors parcel number, or location.

1989-1994 Goals: Completion of the geographic information system and permit tracking system. Monitoring of system operation to ensure that it is functioning to reduce permit processing time wherever possible.

Implementation: The Land Use and Transportation Management Department will implement this program. The computer system was included in the city's capital improvement program.

Program A-1.d (Continuation of an existing program): Define criteria for Architectural Review Board (ARB) actions.

Accomplishments to Date: The City has approved architectural review guidelines for projects which require ARB approvals.

1989-1994 Goals: Continue to implement the architectural review guidelines adopted in 1989.

Implementation: The Land Use and Transportation Management Department will assist the ARB to implement the new guidelines. Also, staff will periodically review Architectural Design Guidelines to ensure that they continue to promote affordable housing.

Program A-1.e (Modification of an existing program): Where Development Agreements are appropriate for large, phased development projects, encourage the inclusion of measures in the agreement to encourage prepayment of housing in lieu fees or other actions to increase the supply of affordable housing commensurate with the impact of the project.

Accomplishments to Date: Since 1983, the city has approved three development agreements resulting in the construction of 111 units of rental housing. Two additional development agreements have been approved, resulting in the prepayment of the in lieu fees associated with these projects.

1989-1994 Goals: Continue to encourage developers who require development agreements to facilitate the development of new rental housing. This program could result in the construction 50 to 100 units.



Implementation: The City Attorney's Office, working in conjunction with the Land Use and Transportation Management Department, will implement this project.

Program A-1.f (New Program): When a unit is withdrawn from the housing stock, or the landlord recovers possession of a unit and tenant relocation assistance is appropriate, the Santa Monica Municipal Code (Chapter 8B, Article IV, Sections 4855 through 4862) requires that the landlord pay a relocation fee for each unit based upon the size of the unit. An additional fee is required if one or more of the tenants is a senior (62 or over), disabled, or a minor. In lieu of providing financial relocation assistance, the landlord may instead provide actual physical relocation, as long as the tenant is amenable to the relocation and the new unit is comparable to the original unit.

1989-1994 Goals: During Fiscal Year 1993/94, staff will study broadening the scope of the City's relocation ordinance to include additional circumstances that result in tenant displacement such as tenant evictions from bootleg units. At the same time, staff will examine the relocation fee requirements to ensure that the fees accurately reflect moving costs and the costs of market rents.

Implementation: The City Attorney's Office and Land Use and Transportation Management Department will implement this program.

Program A-1.g (New program): Investigate the feasibility of rezoning non-residential areas for residential use in order to mitigate the effects of downzoning in other areas.

1989 - 1994 Goals: Investigate the feasibility of rezoning the City's "C5" (high intensity commercial) and "M1" (light industrial/manufacturing) zones to high density residential.

Implementation: The Land Use and Transportation Management Department will implement this program.

GOAL A-2: INCREASE THE SUPPLY OF HOUSING AFFORDABLE TO LOW AND MODERATE INCOME PERSONS

POLICY A-2.1: Encourage innovative municipal and private sector programs to promote the financing and development of housing for low and moderate income persons.

POLICY A-2.2: Encourage the development and participation of nonprofit housing corporations in the production and maintenance of housing affordable to low and moderate income households.

POLICY A-2.3: Cooperate with nonprofit community development corporations to promote the development and operation of both ownership and rental housing for low and moderate income households.

POLICY A-2.4: Encourage the enactment of federal, state, and local legislation to provide funding and incentives for the preservation and development of housing affordable to low and moderate income households.

POLICY A-2.5: Ensure the continued availability and affordability of municipally mandated or assisted housing affordable to low and moderate income households.

IMPLEMENTATION PROGRAMS: Although several of the following programs could also be included under other goals, they are listed here because they primarily focus on increasing the supply of housing affordable to low and moderate income persons.

Program A-2.a (Modification of an existing program): Develop an inclusionary zoning program requiring 30% of all new multi-family units be affordable to low and moderate income households. Of these units, 50% must be affordable to low income households and 50% must be affordable to moderate income households.

Accomplishments to Date: In March, 1987, the City Council adopted an ordinance requiring all new housing development which includes more than five units to include rental units affordably to households at or below the median for the city, or pay an in lieu fee. This ordinance was subsequently amended to increase the required percentage of inclusionary units from 15 to 30 percent and to reduce the applicable threshold from five or more units to two or more units. As of September, 1991, 74 affordable inclusionary units have been built by private developers.

In November, 1990, Santa Monica voters approved Proposition R, which requires that 30% of all newly constructed multi-family units, including rental and owner units, be affordable to low and moderate income

households. Of the affordable units, 50% must be affordable to low income households and 50% must be affordable to moderate income households. The Proposition allows City Council discretion in implementation of this measure. The implementation ordinance for Proposition R, described on Section 3 of the Housing Element, was adopted in March, 1992.

Since adoption of the Proposition R implementing ordinance, and in spite of the economic recession, the City has received applications for four multi-family residential projects totaling 36 units, including 6 on-site affordable units and in lieu fees for an additional 2.9 affordable units.

1989-1994 Goal: Periodically evaluate the effectiveness of the Proposition R implementation ordinance to evaluate its effectiveness in producing affordable housing.

Implementation: The Resource Management Department and the Land Use and Transportation Management Department will implement this program.

Program A-2.b (Continuation of an existing program): Support the efforts of private, nonprofit community development corporations.

Accomplishments to Date: The Community Corporation of Santa Monica (CCSM) was established in 1982 to develop, purchase and renovate, or facilitate the construction of housing affordable to persons of low and moderate income.



CCSM has developed 106 new units to date, and rehabilitated 222 units for rental to low and moderate income persons.

1989-1994 Goals: Continue to support the efforts of CCSM and other non-profit housing corporations to produce housing affordable to low and moderate income persons in the City of Santa Monica. This support shall include providing administrative grants for operation, technical assistance and gap financing. Approximately 200 units will be produced and 250 units rehabilitated through this program.

Implementation: The City of Santa Monica will provide funds and other support to the CCSM and other non-profit housing corporations. Funding sources include CDBG, redevelopment tax increment set aside, and general fund revenues. CCSM has its own staff and board of directors.

Program A-2.c (Modification of an existing program): Study and develop programs to address the housing needs of the growing population of homeless people in Santa Monica.

Accomplishments to Date: The city provides funds for a number of programs that provide services to homeless people, including emergency shelter, counseling, and assistance applying for government assistance, food, and clothing. The city has provided approximately 1.4 million dollars for these programs in fiscal year 1992-93. The number of homeless people varies with general economic

conditions, the season, and a variety of other factors. Despite their best efforts, the existing service agencies do not always meet the need. An average of 1500 persons are served each month of an estimated 3,000 to 5,000 homeless people living in the city.

In March, 1988, the City Council approved changes to the Zoning Ordinance to permit homeless shelters by right in C3, C3-C, C4, C5, C6, CM, CP, and CC zones, subject to performance standards in BCD, C2, N, and M1 zones, and as conditionally permitted uses in R4 and RVC zones.

1989-1994 Goals: On an ongoing basis, City Staff will assist existing nonprofit agencies which provide emergency services to homeless people in the area to apply for state and federal funds to expand their facilities and services and work with these agencies to process permits for facility development expeditiously. Recent state bond issues and federal programs have indicated that preference will be given to agencies which are already in operation. City staff will work with these agencies on an ongoing basis to identify programs or funding sources which could enable them to assist more people, particularly programs which fund the social services and training to enable homeless people to transition back into the mainstream and self-sufficiency. During Fiscal Year 1991/92, the City will hire a Homeless Coordinator who will work to develop policies and programs to address the problems of homelessness in the City and work in close partnership

with local service providers and other organizations to coordinate the provision of homeless services and identify potential future funding sources. During the 1992/93 Fiscal Year, the City will provide financial assistance to local shelter providers to assist in pre-development and rehabilitation costs of providing transitional housing. Finally, during Fiscal Years 1992/93 and 1993/94, the City will apply for funding for housing and supportive service programs through one or more of the following State and Federal programs: Supplemental Assistance for Facilities to Assist the Homeless (SAFAH), a program of the State Department of Housing and Community Development which provides funding for rental assistance and case management; the Shelter Plus Care Program (a HUD program), providing funds for rental assistance and supportive services; the Transitional Housing Program (HUD); the Permanent Housing Program (HUD); the Section 8 Moderate Rehabilitation Program (HUD); and, the Federal Emergency Shelter Grant (or FESG, a State Program).

Implementation: The Community and Neighborhood Services Division of the Cultural and Recreation Services Department will implement this program.

Program A-2.d (Continuation of an existing program): Promote the use of air rights above city-owned or other publicly owned land for affordable housing.

Accomplishments to Date: Housing Division staff has identified five city-owned sites (parking lots) which could be redeveloped to add affordable housing above a parking structure. A 72-unit project on Third Street for seniors and handicapped persons received federal Section 202 funding and was recently opened. Two other projects are in the design phase. One of these is a 44-unit SRO Hotel on Second Street and the other is a 66 unit project on 4th Street which is currently awaiting a HUD Section 202 grant before it may proceed to construction.

1989-1994 Goals: Finalize the design and secure financing for construction of affordable housing on the two city-owned sites which have been identified. Approximately 110 units could be added in this way.

Implementation: The Resource Management Department and Land Use and Transportation Management Department will implement this program.

Program A-2.e (Continuation of an existing program): Participate in state and federal low and moderate income housing programs, and develop local sources of funds for housing.

Accomplishments to Date: Since 1983, city staff has identified and applied for a variety of grants and programs funded by the state and federal governments to assist low and moderate income households. These have included:



- + Community Development Block Grant. The city receives over \$900,000 in CDBG funds annually, approximately 95 percent of which is used for housing programs.
  
- + Section 8 and Housing Vouchers. Santa Monica participates in the Section 8 Rental Assistance and Housing Voucher programs funded by the federal government. These are the only programs designed to provide assistance to households to occupy existing privately owned units by supplementing their rent payments to make up the difference between 30 percent of income and the market rent. The city began administering the program itself on January 1, 1989, in an effort to make it more responsive to the needs of local residents. Seven hundred and ninety two (792) households are currently receiving assistance under this program.
  
- + Rental Rehabilitation Program. The city receives approximately \$197,000 in federal funds annually to assist the private owners of rental housing (50 percent or more of which is occupied by low income households) to rehabilitate their units while maintaining rents at an affordable level. Forty (40) units have been rehabilitated since 1984.
  
- + State Rental Housing Construction Program. The city received \$120,000 in state RHCP funds to assist a six-unit family housing project.
  
- + California Housing Assistance Program (CHAP). The city received \$200,000 in grant monies to assist six low and middle income households to purchase their rental units which are being converted under the TORCA program.
  
- + California Housing Finance Agency (CHFA) Revenue Bond Program. Santa Monica participated in the revenue bond funding (through CHFA) of 108 units of housing affordable to lower income households since 1984.
  
- + Housing Development Action Grant (HODAG). The city received \$778,000 from the federal Department of Housing and Urban Development to fund construction of 43 units of housing affordable to lower income households.

- + California Deferred Payment Rehabilitation Loan Program. The city received \$200,000 for the acquisition and rehabilitation of a 25-unit project at 3 Vicente Terrace.

In addition to the federal and state programs, the city has created four local programs which produce revenues that are dedicated to production of affordable housing. These programs are discussed below.

- + The city adopted a Tenant Ownership Rights Charter Amendment (TORCA) in 1984 which allows the conversion of rental units to ownership only if two-thirds or more of the building's tenants agree to the conversion and one-half or more intend to buy their units. In order to assist low and moderate income tenants to purchase their units, the city also agreed to establish an ownership assistance program to be funded by a tax levied on units that are converted to condominium ownership. The city had collected approximately \$3.5 million as of November, 1991, for use in this program.
- + The City of Santa Monica has established three redevelopment project areas which are required under state law to set aside 20 percent of their tax increment to assist in the production of housing affordable to low and moderate income households. This generates approximately \$350,000 in funds for low and moderate income housing annually. A total of \$3,689,844 (24.9 percent) of tax increment funds have been set aside for low and moderate income housing. \$3,363,082 has been spent to assist 269 low and moderate income households/units.
- + In March 1987, the city adopted an inclusionary housing ordinance requiring all new housing development which contains five or more units to include rental units affordable to households at or below the median for the city, or pay an in-lieu fee. Through the end of Fiscal Year 1990-91, \$1,832,664.00 in in-lieu fees were collected, 15 units were rehabilitated, and 72 new units were constructed under this program.

- + The city has adopted an office development mitigation program which requires developers of new commercial office space in excess of 15,000 square feet or additions to existing developments in excess of 10,000 square feet to either provide low income housing or pay an in-lieu fee. As of the end of Fiscal Year 1990-91 sixty-two units in six projects have been constructed and \$3,671,170 in in-lieu fees collected under this program.

1989-1994 Goals: Staff of the Resource Management Department will continue to follow state and federal funding initiatives to identify programs and funding sources which are appropriate for Santa Monica. Over the next 5 years, staff expects that these efforts will center on new federal funds including the HOME and H.O.P.E. Programs, and any upcoming state bond issues. The result will be housing assistance beyond that which the city could achieve operating on its own.

The Redevelopment Agency will continue to pursue projects toward development of low and moderate income housing. Currently, the 20% tax increment set-aside is projected to generate approximately \$500,000 annually over the period of this element. These funds will be used for loan assistance to affordable housing projects, including deferred payment loans and predevelopment loans. During FY 89-90, the available funds will be used for the acquisition and rehabilitation of a 32-unit project at 2020 Cloverfield Boulevard and a 10-unit project at 1952-56 Frank Street, as well as for a predevelopment loan for the Third Street Senior Housing Project at 1172 Third Street. During FY 91-92 and FY 92-93, available funds



will be used for the construction of a 44-unit SRO project at 1423 Second Street and a 67-unit affordable senior housing project on 4th Street, respectively.

Implementation: Staff of the Resource Management Department will have primary responsibility for identifying and applying for funds from outside agencies. Funds to match federal and state grants will come from a variety of existing funding sources, including in lieu fees, redevelopment tax increment set aside, etc.

Program A-2.f (Modification of an existing program): Investigate creative programs to leverage the effectiveness of city financing for housing programs.

Accomplishments to Date: The City has successfully leveraged funds from the Federal Home Loan Bank and expanded the number of lenders participating in local affordable housing projects.

1989-1994 Goals: Identify other policies or programs which the city could use to encourage private financing of affordable housing development. Continue to monitor interest rate trends and the impact that rising interest rates have on the feasibility of these programs.

Implementation: Staff of the Resource Management Department will implement this program.



Program A-2.g (Modification of an existing program): Develop a density bonus program to encourage the production of housing affordable to low and moderate income persons.

Accomplishments to Date: Under State law, developers of residential projects containing five or more units may be eligible to receive a 25 percent density bonus if:

- (1) 20 percent or more of the units (not including density bonus units) are set aside for, and affordable to, households with lower incomes ( $\leq 80\%$  of area median) "affordable" for this group means rents set at 30% of 60% of the area median income; or,
- (2) 10 percent or more of the units are set aside for households with very low incomes ( $\leq 50\%$  of median)--"affordable" for this group means rents are set at 30% of 50% of the area median; or
- (3) 50% of the units (not including density bonus units) are set aside for senior citizens. There are no income or rent restrictions on such projects. "Senior citizens" must be at least 62 years old. If the project consists of 150 or more units, the "senior" is defined as at least 55 years of age.

Projects qualifying for a density bonus are also eligible for at least one additional regulatory concession or incentive resulting in identifiable cost reduction, or other incentive of equivalent financial value based upon the land cost per dwelling unit.

Developments receiving the density bonus are given 25 percent more units than would otherwise be permitted under the zoning for the site. Since 1983, 23 projects involving 37 affordable units have been constructed.

In addition, the City of Santa Monica encourages residential development in conjunction with commercial development in the downtown area by permitting developers to count floor area devoted to residential uses at 50 percent of the floor area when calculating floor area ratios.

In conjunction with the Ocean Park and North of Wilshire rezonings, the City has incorporated new provisions into the Zoning Ordinance allowing for density bonuses of up to 50, 75, and 100 percent in these areas of the City to hold affordable housing harmless from the effects of downzoning.

1989-1994 Goals: The City will continue to implement the State density bonus requirements. City staff will also continue to encourage the use of the density bonus for appropriate projects, and will also investigate the possibility of amending the City's density bonus regulations to encourage the development of affordable housing for families with children, and very low income households. During the 1989/90 Fiscal Year, the City will adopt regulations allowing for density bonuses for projects of 3 or more units in the OP-2, OP-3, and OP-4 residential zones. Staff will also investigate the

feasibility of offering a greater density bonus for projects which provide housing for families with children in smaller projects with more amenities (such as dedicated play areas of additional open space). During Fiscal Year 1992/93, the City will adopt an ordinance to accomplish the following:

- o Eliminate the restriction on the number of floors for 100 affordable housing projects, provided that the height does not exceed the maximum limit in the applicable zone district:
- o Allow an additional density bonus for 100 percent affordable housing projects:
- o Allow a ten-foot height bonus for 100 percent affordable housing projects in non-residential zones;
- o Allow an FAR bonus as an incentive for residential development in commercial zones;
- o Relax density restrictions for congregate housing, SRO's, homeless shelters, and transitional housing; and,
- o Relax parking requirements for 100 percent affordable, congregate, and senior housing as well as SRO's and homeless shelters.

Implementation: Staff of the Land Use and Transportation Management Department will implement this program.

Program A-2.h (Modification of an existing program): Maintain, improve, and develop housing for households with special needs especially families with small children, the elderly, and the disabled.

Accomplishments to Date: The City of Santa Monica has adopted a Fair Housing for Children ordinance, which prohibits discrimination against children in renting or

selling housing. The Community and Neighborhood Services Division provides information and referral services for households with special housing needs. The city published a directory of senior housing and health care facilities in the city in 1988.

1989-1994 Goals: Despite existing City incentives, very few of the new housing units being built in the City are suited to the needs of families with children, nor are they accessible to the handicapped. During the 1992/93 Fiscal Year, the City will adopt regulations to relax density bonus requirements and provide for reduced parking requirements for senior group housing projects. During the 1993/94 Fiscal Year, the City will expand the mandatory requirements for private open space currently applicable to the Ocean Park and North of Wilshire districts to all zones citywide in order to make multi-family development more family-friendly. The City will continue to implement the Federal Fair Housing Administrative Rules of 1990 which require handicapped adaptability for all multi-family projects except town houses and projects with four or fewer units without elevators.

Implementation: The Cultural and Recreation Services Department and Land Use and Transportation Management Department will implement this program.



Program A-2.i (New program): Develop a land-banking program to ensure availability of land for affordable housing as the city builds out.

Accomplishments to Date: This is a new program. In the past, the city and CCSM have purchased sites for development in short order. However, vacant residentially designated land is rapidly disappearing in the city. In order to ensure a continued ability to expand the supply of affordable housing, some form of site reservation is necessary.

1989-1994 Goals: To develop a land banking program, including program guidelines and identification of funding sources for consideration and adoption by City Council.

Implementation: The Resource Management Department will implement this program.

## **B. HOUSING CONSERVATION AND IMPROVEMENT**

### **GOAL B-1: PROTECT THE EXISTING SUPPLY OF AFFORDABLE HOUSING**

POLICY B-1.1: Protect rental housing by limiting the conversion of rental units to ownership units.

POLICY B-1.2: Discourage the conversion of residential properties (including SRO housing) to other nonresidential uses.

POLICY B-1.3: Ensure the replacement of multifamily housing that is demolished.

POLICY B-1.4: Maintain affordability of low and moderate income units mandated by the city or financed with public funds.

POLICY B-1.5: Discourage the withholding of rental units from the rental market except for reasons of health and safety.

POLICY B-1.6: Conversion of rental units or development of property development for use as timeshares will not be allowed unless the Housing Element is amended to develop specific standards for this use.

IMPLEMENTATION PROGRAMS: Although several of the following programs could readily fit under several goals, they are included in this section because they primarily address the goal of protecting the existing supply of affordable housing.

Program B-1.a (Continuation of an existing program): Continue to support the rent control charter amendment.

Accomplishments to Date: Citizens of Santa Monica adopted the rent control law in 1979 and a charter amendment reaffirming and clarifying it in 1984. The charter amendment established an elected Rent Control Board to regulate rental units in the city and ensure that rents will not be increased unreasonably. Newly constructed units and units in small projects where the owner occupies one unit are exempt from rent control. According to the 1990 Census, the median contract rent for all of Los Angeles County was \$570, while the median contract for the City of Santa Monica it was \$498. Rent control has been

the major factor in preserving the affordability of existing rental housing in the city.

1989-1994 Goals: Continued support of the rent control charter amendment and defense against erosion of its effectiveness as a result of changing state law.

Implementation: The Rent Control Department will implement this program using fees charged to rental property owners and tenants.

Program B-1.b (Continuation of an existing program): Protect rental housing by limiting the conversion of rental units to market rate condominiums and cooperatives.

Accomplishments to Date: The city adopted a Tenant Ownership Rights Charter Amendment (TORCA) in 1984 that allows the conversion of rental units to tenant ownership only if two-thirds or more of the building's tenants agree to the conversion and one-half or more intend to buy their units. Tenants not choosing to participate in their buildings conversions are guaranteed the right to stay in their units under both TORCA and the city's rent control law. The city has obtained funds from the California Homeownership Assistance Program to assist tenants with the purchase of their units. The program makes deferred loans available for up to 40 percent of the purchase price of the units. The Charter Amendment was modified in 1990 to specify that TORCA is the only mechanism for conversion.

1989-1994 Goals: Continue to limit the conversion of rental housing to ownership housing in order to preserve the balance of unit types and tenure which exists in Santa Monica.

Implementation: The Rent Control Department and the Land Use and Transportation Management Department will implement this program.

Program B-1.c (Continuation of an existing program): Protect existing mobilehome parks by continuing the mobilehome park zone (MHP) designation and other local zoning policies.

Accomplishments to Date: The city has three older mobilehome parks that were originally established as an interim use requiring a conditional use permit. In order to protect them, the city has created a mobilehome park zone (MHP) and zoned two existing parks MHP.

1989-1994 Goals: The city will continue to monitor existing mobilehome parks and as needed shall work with residents and property owners to facilitate the preservation and improvement of the existing mobilehome parks where feasible. This will include assistance with park rehabilitation and conversion to cooperative ownership where appropriate. One park may be converted and two renovated.



Implementation: The Resource Management Department and Land Use and Transportation Department will implement this program.

Program B-1.d (Continuation of an existing program): Require replacement of rental units (multifamily, single room occupancy hotels, etc.) proposed for demolition, conversion or other removals, and replacement with either residential or nonresidential development.

Accomplishments to Date: Staff has been evaluating options for replacing rental housing that is proposed for demolition, conversion, or other removals.

1984-1994 Goals: Continue to study the feasibility of providing a mechanism for replacing rental units lost to demolition, conversion, or other removals.

Implementation: Staff of the Resource Management Department and Land Use and Transportation Management Department will implement this program.

Program B-1.e (Continuation of an existing program): Permit conversion of controlled rental units to limited equity cooperatives without involuntary displacement of tenants or loss of affordability.

Accomplishments to Date: The Tenant Ownership Rights Charter Amendment (TORCA) permits conversion of rental properties to limited equity cooperatives, subject to conditions to protect the rights of tenants who do not

want to participate in the program and to preserve the affordability of the units. Although the program is in place, no conversions have occurred to date.

1989-1994 Goals: Staff will review the existing program and its effectiveness and develop incentives or policy changes to improve participation. City staff will also investigate the feasibility of using revenue bond financing to implement this program.

Implementation: Staff of the Resource Management Department and Land Use and Transportation Management Department will implement this program.

Program B-1.f (Continuation of an existing program): Limit the circumstances under which current tenants may be evicted from their units.

Accomplishments to Date: The rent control charter amendment limits the grounds on which a tenant may be evicted for failure of the tenant to live up to the conditions of his or her contract, cases where the owner or his immediate family wishes to occupy the unit, and cases where continued occupation of the unit represents a health and safety threat to the tenant. The law provides for the property owner to assist the tenant to find another suitable unit and cover the costs of relocation. The city investigated the possibility of limiting eviction to "just cause," and found that this would not be feasible

or desirable. Lower income, Ellis Act displaces are given priority for Section 8 and housing voucher programs.

1989-1994 Goals: Continued prevention of unjustified evictions. Low income displaced persons will continue to have priority for Section 8 or housing voucher assistance.

Implementation: Staff of the City's Attorney's Office, Resource Management Department and Rent Control Department will continue to implement this program.

Program B-1.g (New program): Protect the supply of units affordable to the lowest income tenants while permitting landlords to increase revenues from their rental property through the Incentive Housing Program.

Accomplishments to Date: This is a new program, recently adopted by the Rent Control Board. As of June 30, 1991, 24 properties containing 317 units are participating in this program. There are 15 low income units and 42 very low income units. An equal number of units (317) are authorized to charge incentive rents.

1989-1994 Goals: This program permits owners of rental property to raise the rent on a voluntarily vacated unit by setting aside another unit for the exclusive use of a low or very low income tenant. The amount of the rent increase is tied to the value of the set aside--that is a higher increase is permitted for a very low income dedicated unit. The goal is to increase access to rent controlled units for very low income households.

Implementation: The Rent Control Board Department will implement this program.

**GOAL B-2: PROMOTE THE REHABILITATION AND CONTINUED MAINTENANCE OF EXISTING HOUSING WHEREVER FEASIBLE**

POLICY B-2.1: Encourage the use of private and public funding to provide rehabilitation, home improvement, and maintenance loans and grants with particular attention to multifamily rental housing.

POLICY B-2.2: Ensure that rehabilitation of existing units does not result in displacement of existing residents.

POLICY B-2.3: Ensure that rehabilitation of existing housing addresses the health and safety needs of the residents, and is consistent with the historic and architectural character of the structure.

IMPLEMENTATION PROGRAMS: The following programs are designed primarily to promote the rehabilitation and continued maintenance of existing housing units, but they will also affect the continued livability of the neighborhoods in the city.

Program B-2.a (Continuation of an existing program): Continue to implement a housing rehabilitation program.

Accomplishments to Date: The city currently designates over 90 percent of its annual Community Development Block Grant for housing program. In addition, the city receives an annual rental rehabilitation grant. Four hundred



fifty-two (452) units were rehabilitated between 1983 and 1988.

1989-1994 Goals: Continued successful operation of the program. City staff will investigate additional sources of funding for the program, since federal funding of the CDBG is continuing to decline.

Implementation: The Resource Management Department staff will continue to operate this program.

Program B-2.b (Modification of an existing program): Enforce housing health and safety codes.

Accomplishments to Date: The Building and Safety Division responds to complaints of violations of city building codes and provides inspections and notices to property owners to bring their units into compliance. This is an ongoing program.

1989-1994 Goals: Continued operation of this program. City staff will investigate the possibility of an expanded housing code enforcement program. Over the next 5 years, the city will be working with owners of unreinforced masonry structures to bring their properties into compliance with seismic safety regulations. The Building and Safety Division will coordinate with the Housing Division to ensure that the affordability of the residential units affected by seismic upgrade requirements will not be compromised.

Implementation: The Land Use and Transportation Management Department will continue to implement this program.

Program B-2.c (New program): Evaluate the targeting of rehabilitation programs to ensure that all areas in need of assistance are being adequately served, and encourage the use of volunteers in rehabilitation efforts.

Accomplishments to Date: This is a new program. Currently the city targets its rehabilitation efforts primarily to the Pico neighborhood, but other areas of the city may also need assistance.

1989-1994 Goals: Evaluation of housing conditions throughout the city and consideration of dedicating a portion of the CDBG funds currently going to the Pico neighborhood to address the rehabilitation needs of other parts of the city, if necessary.

Implementation: Staff of the Resource Management Department will implement this program using CDBG funds.

Program B-2.d (New program): Encourage the preservation of architecturally and historically significant neighborhoods and buildings.

Accomplishments to Date: The City adopted a Landmarks and Historic Districts Ordinance in 1976, establishing the Landmarks Commission and delegating to the Commission the authority to designate landmarks and make recommendations

to the City Council for historic districts. Since 1976, the City has conducted a historic resources inventory encompassing major portions the City, designated 23 landmarks, and established one historic district.

Established in 1990, the Third Street Neighborhood Historic District is composed primarily of a mix of single family and multiple family dwelling units. Any demolition of or major alteration to a contributing structure within the district requires Landmarks Commission approval.

In July, 1991 the City Council amended the Landmarks and Historic Districts Ordinance to provide for incentives to encourage owners of designated properties to maintain and preserve their structures. These incentives include elimination of building permit fees, administrative planning fees, and Certificate of Appropriateness fees, parking incentives, and the implementation of a property tax reduction program pursuant to the provisions of Article 12, commencing with Section 50280, Chapter 1, Part 1, Division 1, Title 5 of the California Government Code.

1989-1994 Goals: Complete the City's Historic Resources inventory by the summer of 1992 in order to provide full documentation of potential future landmarks and historic districts. Implement the property tax reduction program and market to owners of eligible properties.

Implementation: The Land Use and Transportation Management Department will implement this program.

## C. HOUSING ASSISTANCE

GOAL C-1: PROVIDE ASSISTANCE TO THOSE LOW AND MODERATE INCOME HOUSEHOLDS WHO NEED IT

POLICY C-1.1: Develop and encourage the development of rental and mortgage assistance programs for low and moderate income persons and households.

POLICY C-1.2: Provide information and assistance to low and moderate income households and households with special needs to help them locate appropriate units.

IMPLEMENTATION PROGRAMS: The following programs are primarily geared to assisting low and moderate income households to continue to live in the City of Santa Monica, although they will also serve to accomplish others of the city's housing goals.

Program C-1.a (Continuation of an existing program): Continue to support and participate in the Section 8 Rental Assistance and Housing Voucher programs.

Accomplishments to Date: Five hundred eighty (580) very low income seniors, disabled households, and families are receiving Section 8 certificates and an additional 188 are receiving Section 8 vouchers as assistance payments to occupy privately owned units in the City of Santa Monica. These households typically pay no more than 30 percent of their income for housing, and the federally funded assistance program makes up the rest of the cost.



1989-1994 Goals: The city has recently (January 1, 1989) taken over operation of the housing assistance program from Los Angeles County, in order to improve the service offered to Santa Monica residents. The goal over the next 5 years will be the continued operation of the program, and raising the number of households who receive assistance.

Implementation: The Resource Management Department will implement the program. The federal funding covers the cost of administration.

Program C-1.b (Continuation of an existing program): Continue to operate the home access program.

Accomplishments to Date: The home access program provides small grants to low and moderate income disabled residents to eliminate the physical barriers in their units. Twenty-five (25) households received assistance between 1984 and 1988.

1989-1994 Goals: Continue to operate the program, serving approximately 15 households per year (75 total by 1994).

Implementation: The Resource Management Department will continue to operate this program.

Program C-1.c (Modification of an existing program): Provide assistance to homeless individuals and households to find temporary shelter in cold or inclement weather.

Accomplishments to Date: Through a twenty year agreement with the Bay View Holiday Inn, the City provides 365 hotel vouchers per year for first time homeless families. The City also operates a hotel and food voucher program through the watch commander's post in the Police Department. Intended primarily for women and families who have no money and no friends or relatives in the immediate area, the program provides hotel and food vouchers for one night. Recipients may stay at the Carmel or Bay View hotels and eat at Ted's Cafe on Broadway. During 1990, 156 vouchers were distributed through this program.

1989-1994 Goals: Although the city will continue to operate this program as long as needed, the goal is to expand the facilities and services of local nonprofit agencies serving the homeless so that temporary hotel room vouchers will no longer be necessary, and homeless people in Santa Monica will receive a full range of support services. To that end, city staff will assist these agencies to apply for funds from the federal and state government.

Implementation: Staff of the Cultural and Recreation Services Department will implement this program.

**GOAL C-2: ELIMINATE DISCRIMINATION OF HOUSING RENTAL OR SALE OF HOUSING ON THE BASIS OF RACE, RELIGION, NATIONAL ORIGIN, SEX, SEXUAL PREFERENCE, AGE, DISABILITY, FAMILY STATUS, AIDS, OR OTHER SUCH CHARACTERISTICS.**

POLICY C-2.1: Continue to enforce fair housing laws prohibiting arbitrary discrimination with regard to race, religion, national

origin, sex, sexual preference, age, disability, family status, AIDS, or other such characteristics in the building, financing, selling, or renting of housing.

POLICY C-2.2: Encourage the distribution of housing for low and moderate income households throughout residential and compatible commercial districts.

IMPLEMENTATION PROGRAMS: The following programs are intended to implement the city's goal of eliminating discrimination in access to housing. Other programs listed under other goals will also accomplish this goal.

Program C-2.a (Continuation of an existing program): Continue to enforce fair housing laws.

Accomplishments to Date: The Deputy City Attorney for Consumer Affairs is charged with enforcement of fair housing laws. In addition, West Side Fair Housing provides counseling and investigates complaints of discrimination in Santa Monica. They also offer training and education for property owners in their fair housing rights and responsibilities.

1989-1994 Goals: Continued operation of the program. As required by federal law, the city will conduct an analysis of the need for additional fair housing programs over the next year.

Implementation: The City Attorney's Office in conjunction with staff of the Resource Management Department and the

West Side Fair Housing Agency will implement this program using existing funding sources.

Program C-2.b (Continuation of an existing program): Require that all subdivisions and other city approved developments prohibit discrimination.

Accomplishments to Date: The city imposes as a standard condition of subdivision map approval the inclusion of anti-discrimination clauses in the conditions, covenants, and restrictions for the project. All subdivisions approved since 1980 have contained this clause.

1989-1994 Goals: Continued implementation and expansion of this policy through revisions to the existing ordinance.

Implementation: Staff of the Land Use and Transportation Management Department and City Attorney's Office will continue to implement this policy using existing funding sources.

#### **D. BALANCE HOUSING GOALS WITH OTHER CITY GOALS**

##### **GOAL D-1: PROMOTE QUALITY HOUSING AND NEIGHBORHOODS**

POLICY D-1.1: Promote safe and secure housing and neighborhoods, and encourage design which serves to deter crime.

POLICY D-1.2: Promote energy efficiency in housing.



POLICY D-1.3: Promote conservation of scarce natural resources and environmentally sensitive design for all housing.

POLICY D-1.4: Ensure that new housing development is designed to fit in the neighborhood where it is proposed to be located, in terms of design and functioning.

POLICY D-1.5: Encourage the preservation of architecturally and historically significant neighborhoods and buildings.

IMPLEMENTATION PROGRAMS: The following implementation programs are designed to ensure that in implementing its goals and policies to protect and enhance quality housing and neighborhoods, the ability of the city to meet its affordable housing goals is not compromised.

Program D-1.a (Continuation of an existing program): Offer programs to maintain and enhance residential safety. Over the past 5 years, these programs have included a smoke alarm retrofit program, a dead-bolt installation program for senior citizens, establishment of neighborhood watch programs, and education and outreach by the police department. In order to avoid increasing the cost of housing when improving its safety, these costs have been covered by city grants to low and moderate income households.

Accomplishments to Date: One thousand eighty-three (1,083) households received smoke alarms and dead-bolts between 1984 and 1988, and there are 180 active neighborhood watch groups.

1989-1994 Goals: Continue to offer these programs, although participation is expected to decline as most housing units are assisted.

Implementation: Staff of the Police Department, Fire Department (smoke alarms) and Land Use and Transportation Management Department are involved in the identification of households needing assistance and providing information and education.

Program D-1.b (Modification of an existing program): Review existing and develop new programs for energy and water conservation.

Accomplishments to Date: The city enforces recent changes to state law increasing the insulation requirements for new construction. In addition, the City has sponsored several water conservation programs. Among these are two retrofit programs. The first offers residential property owners a \$100.00 rebate per bathroom to retrofit bathrooms with a low flow toilet and shower head. The second, available to owners of rent-controlled units, offers to replace existing toilets with ultra-low flow toilets and shower heads for a \$25.00 fee. Under these programs, the City has retrofitted over 23,000 bathrooms, or over 30 percent of all bathrooms in the City. The City has also implemented a Development Mitigation Fee program which charges a fee on new residential and non-residential development, the proceeds of which are used to pay for the

retrofitting of a variety of public facilities in the City.

1989-1994 Goals: Continue to monitor energy and water usage in the city and investigate other appropriate programs to conserve these scarce natural resources. Investigate the cost and feasibility of programs to encourage retrofit of existing units with energy and water saving devices. Consider requiring all new residential construction to be plumbed for solar heating. Also, consider adopting a Retrofit Upon Sale program which will require existing properties to retrofit all toilets and shower heads prior to transfer of title.

Implementation: The General Services Department will investigate these programs using existing staff and resources.

Program D-1.c (Modification of an existing program): Provide for enforcement of permit requirements to ensure that the mitigation of adverse impacts of new development is effective.

Accomplishments to Date: The city is implementing a geographic information system including a permit tracking system. The system is also intended to ease the monitoring of implementation of conditions of project approval.

1989-1994 Goals: Assembly Bill 3180 (Cortese), which took effect January 1, 1989, requires the city to adopt a

monitoring program to ensure implementation of measures imposed as mitigation of adverse environmental impacts as part or the approval of all projects. Staff will be working to integrate this monitoring requirement into the GIS system. Careful implementation of mitigation measures should improve the acceptability of new development and reduce complaints. As a condition of approval, all applicants for discretionary permits will require to report at the inception of the project and annually thereafter on their compliance with the conditions of approval.

Implementation: The Land Use and Transportation Management Department and General Services Department will implement this program.

Program D-1.d (Continuation of an existing program): Coastal zone developments shall conform with relevant state law.

Accomplishments to Date: Although the city has prepared a Local Coastal Plan, it has not been approved by the State Coastal Commission. Therefore, all coastal zone projects must be reviewed by the Coastal Commission, as well as the city. Staff informs all applicants of the requirements of coastal zone development and refers them to the Coastal Commission for further information.

1989-1994 Goals: Adopt the Local Coastal Plan and obtain Coastal Commission approval for it. Continue to enforce



the provisions of Government Code Section 65590, which address coastal zone housing requirements.

Implementation: The Land Use and Transportation Management Department will implement this program.

Program D-1.e (Continuation of an existing program): Balance employment opportunities in the city with the supply of housing to ensure that people who work in the city have a reasonable opportunity to live there and do not have to commute long distances and contribute to regional traffic congestion and air pollution.

Accomplishments to Date: The city has adopted an Office Development Mitigation Program which requires developers of new commercial office space in excess of 15,000 square feet or additions to existing developments in excess of 10,000 square feet to either: (1) provide low income housing and open park space; or (2) pay the city an in lieu fee to be used for such efforts. Fees received for housing under the program have been allocated to the Citywide Housing Trust Fund. Sixty-two (62) units in six projects have been constructed under development agreements and \$2,844,668 has been collected in in-lieu fees under this program since 1986.

1989-1994 Goals: Continue implementation of the program. City staff will investigate the in lieu fee structure to ensure that it reflects the actual cost of producing the housing.

Implementation: Resource Management Department and Land Use and Transportation Management Department will implement this program.

## E. CITIZEN PARTICIPATION

GOAL E-1: PROMOTE THE PARTICIPATION OF CITIZENS, COMMUNITY GROUPS, AND GOVERNMENTAL AGENCIES IN HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES

POLICY E-1.1: Ensure maximum citizen involvement in housing issues.

POLICY E-1.2: Encourage and facilitate the involvement of neighborhood groups in housing and community development activities.

POLICY E-1.3: Ensure that information and assistance is provided in the language of the person or group needing housing assistance, to the greatest extent possible.

POLICY E-1.4: Ensure communication and coordination between city departments and agencies on issues related to housing and community development.

IMPLEMENTATION PROGRAMS: The following programs are intended to promote the participation of all segments of the community in decisions related to housing and community development.

Program E-1.a (Continuation of an existing program): Give widespread and timely notice of city consideration of land development proposals and changes in housing programs or regulations governing housing or land development.

Accomplishments to Date: The city expanded the notice requirements for public hearings concerning land development or housing program matters to include both property owners and tenants, and ensure that all residents or owners within 500 feet are informed of the hearing. City Council meetings are broadcast to the public by radio, and on local cable stations. The City also has recently installed the Public Electronic Network (PEN) which makes available to the public via modem information about development proposals, upcoming hearings, and City regulations.

1989-1994 Goals: Continue to publicize development and policy proposals widely through the use of noticing, cable TV, and PEN.

Implementation: The Land Use and Transportation Management Department, the Resource Management Department, and Information Systems Departments will implement this program.

Program E-1.b (Continuation of an existing program): Provide for periodic review of housing policy.

Accomplishments to Date: The City has made progress on the implementation of 38 of the 43 programs identified in the previous housing element. The remaining five programs were studied and determined unnecessary or infeasible. The city undergoes annual review of its CDBG, rental rehabilitation, and redevelopment tax increment funded



housing and community development programs. This housing element update represents a comprehensive review of the city's housing strategy and policy.

1989-1994 Goals: Implementation of all of the programs identified above in a timely manner. Annual review of grant funded programs and redevelopment set aside programs. Update of the housing element again in 1994, as required by state law. City staff will annually report to the City Council on progress made toward implementing Housing Element programs.

Implementation: The Land Use and Transportation Management Department and The Resource Management Department will implement this program.

TABLE 34

## Housing Programs Implementation Schedule

Program Number	Program Description	Implementation Date
A-1.a	Consider program to provide for hsng in commercial development;	FY 92-93
	Review impact of changes to comm/resid development standards.	FY 93-94
A-1.b	Adopt regulations to allow planning fee waivers for affordable housing	FY 92-93
	Investigate other fee waivers for affordable housing	FY 93-94
A-1.c	Complete GIS;	FY 91-92
	Monitor GIS system operation.	Ongoing
A-1.d	Approve architectural guidelines	FY 88-89
A-1.e	Encourage new rental hsng through Development Agmts	Ongoing
A-1.f	Study broadening scope of relocation ordinance	FY 93-94
A-1.g	Study rezoning non-residential areas for residential use	FY 92-93
A-2.a	Evaluate inclusionary program periodically (in lieu fee, percentage, benefit level, tenant selection).	FY 91-92
A-2.b	Continue to support CCSM and other non-profits	Ongoing
A-2.c	Assist non-profits in seeking public funds, processing permits;	Ongoing
	Hire Homeless Coordinator	FY 91-92
	Provide financial assistance to local shelter providers	FY 92-93

	Apply for State and Federal funding for housing and supportive service programs	FY 92-93; FY 93-94
A-2.d	Finalize design, secure financing for four City-owned parking lots for housing.	FY 93-94
A-2.e	Follow State and Federal funding initiatives for low and moderate income housing.	Ongoing
A-2.f	Investigate other leveraging programs.	Ongoing
A-2.g	Density Bonus Program:	
	Continue to encourage use of density bonuses;	Ongoing
	Allow density bonuses for projects of 3 or more units in Ocean Park zones.	FY 89-90
	Consider offering bonus for projects for families w/ children	FY 93-94
	Adopt ordinance to provide other incentives for affordable housing	FY 92-93
A-2.h	Adopt regulations to relax density bonus requirements and provide reduced parking requirements for senior group housing	FY 92-93
	Expand mandatory requirements for private open space	FY 93-94
	Continue to implement Federal Fair Housing Administration Rules	Ongoing
A-2.i	Develop land banking program.	FY 92-93
B-1a	Continue to support rent control.	Ongoing
B-1.b	Continue to limit rental conversions.	Ongoing
B-1.c	Continue to monitor mobile home parks.	Ongoing
B-1.d	Implement replacement hsng program;	FY 91-92
	Draft ordinance to protect SRO's.	FY 93-94

B-1.e	Review TORCA program and develop incentives, policies to improve participation.	FY 91-92
B-1.f	Continue to enforce laws to prevent evictions.	Ongoing
B-1.g	Adopt low-income rental unit incentive program	FY 89-90
B-2.a	Continue CDBG program; seek additional funding sources.	Ongoing
B-2.b	Continue to enforce health and safety codes	Ongoing
	Investigate expanded code enforcement;	FY 93-94
	Work w/ owners of URM structures to upgrade structures;	FY 92-93
	Work w/ Building & Safety to ensure affordability.	FY 91-92
B-2.c	Evaluate housing conditions throughout City;	FY 92-93
	Consider dedicating additional funds outside of Pico nghbrhd.	FY 91-92
B-2.d	Encourage historic preservation:	Ongoing
	Complete Historic Resources Inventory;	FY 91-92
	Implement Property Tax Reduction Program	FY 92-93
C-1.a	Cont'd operation of Section 8 Rental Assistance & Hsng Voucher Program.	Ongoing
C-1.b	Continue to operate home access program.	Ongoing
C-1.c	Assist non-profits serving homeless persons in applying for federal and state funds.	Ongoing
C-2.a	Continue to enforce fair housing laws;	Ongoing



	Conduct analysis of need for additional fair housing programs, per federal law.	FY 93-94
C-2.b	Continue and expand anti-discrimination policies through subdivision map approvals.	Ongoing
D-1.a	Continue programs for residential safety.	Ongoing
D-1.b	Continue to monitor energy usage;	Ongoing
	Investigate energy and water retrofit program;	FY 91-92
	Consider requiring new devlpmt to be plumbed for solar heating.	FY 93-94
D-1.c	Implement mitigation monitoring	FY 89-90
D-1.d	Adopt Local Coastal Plan.	FY 91-92
D-1.e	Continue Development Mitigation Program;	Ongoing
	Investigate in lieu fee structure.	FY 91-92
E-1.a	Use PEN to provide timely public notice of development proposals.	Ongoing
E-1.b	Annual review of grant and redevelopment set aside housing programs.	Annually

## SECTION 7

### SUMMARY OF ACCOMPLISHMENTS AND GOALS

Thirty-five (35) housing programs have been identified to meet the needs described earlier in this element. If all are implemented as expected, the city expects to achieve the following quantified objectives over the next 5 years:

- + Housing Production. The City's total housing production goal for the 1989-1994 planning period is 1,150 units. This goal is realistic based upon the City's recent experience: between 1980 and 1990, the City added an average of 231 net new residential units per year.

Under the requirements of Proposition R and implementing Ordinance 1615 (CCS), 30 percent of the new units must be affordable to low- and moderate-income households. Therefore, of the 1,155 new units projected to be built during the 1989-1994 planning period, 346 will be affordable to low- and moderate-income households. The affordable units are required to be split evenly between the two income groups.

- + Housing Conservation and Improvement. City-assisted rehabilitation of 500 units (452 were rehabilitated between 1984 and 1988) and loss of 750 or fewer units to demolitions or conversions (630 were converted between 1984 and 1988).
- + Housing Assistance. Continue to provide rental assistance to 768 lower income households and increase the number of households receiving assistance commensurate with federal funding. Assist in the provision of services to the homeless as needed. An average of 1,500 persons will receive emergency assistance each month and the city hopes to facilitate the development of emergency shelters and construct 75 units of transitional housing.
- + Balance Housing Goals With Other City Goals. The city will review zoning and land use policies to

ensure that there are no unexpected adverse impacts on housing production or cost.

## SECTION 8

### REFERENCES

#### A. CITY OF SANTA MONICA

Land Use and Transportation Management Department

Paul Berlant, Director  
Suzanne Frick, Planning Manager  
John Read, Associate Planner

Housing . . . . . Nancy West, Housing Manager (on leave)  
Chuck Elssessor, Interim Housing Manager

Rent Control . . . . . Mary Ann Yurkonis, Rent Control  
Administration  
B. J. Mitchell, Rent Control Information Systems

City Attorney's Office . . Mary Strobel, Deputy City Attorney  
Barry Rosenbaum, Deputy City Attorney

#### B. COMMUNITY CORPORATION OF SANTA MONICA

Development Director . . . . . Joan Ling

#### C. OCEAN PARK COMMUNITY CENTER

Executive Director . . . . . Vivian Rothstein

#### D. CONSTRUCTION INDUSTRY RESEARCH BOARD

Director . . . . . Ben Bartalotto

#### E. MICHAEL BRANDMAN ASSOCIATES, LOS ANGELES

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APPENDIX A

A G E N D A

THE HOUSING ELEMENT UPDATE WORKSHOP  
NOVEMBER 9, 1988

7:00 - 7:15	Leslie Lambert Planning Commissioner	* Introduction * Overview of Meeting * Purpose of Update
7:15 - 7:30	Laura Hudson Michael Brandman Associates Consultant	* Presentation of Housing Data
7:30 - 8:15	Small Work Groups	* Housing Needs Questionnaire * Discussion of Housing Needs and Programs
8:15 - 8:45	Work Group Reports	* Report main housing issues identified in small groups
8:45 - 9:00	Leslie Lambert	* Wrap-up * Where we go from here

Questionnaire  
Housing Element Update  
Community Workshop

The purpose of this questionnaire is to give you an opportunity to let us know what your concerns are about housing in the City of Santa Monica.

If you prefer not to answer a question, please go on to the next one.

1) What is your interest in Santa Monica's housing programs?

- ☐ live in the city
- ☐ work in the city
- ☐ own property in the city
- ☐ operate a social service agency
- ☐ other (please describe)

2) Please tell us what street you live/work on and the nearest cross street (for example, Pico and 15th Street) so that we can better understand the problems of individual neighborhoods.

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3) Are you familiar with any of the existing housing programs in the City of Santa Monica? ☐ Yes ☐ No. If yes, do you feel there is a need to expand or change any of these programs? Which ones?

- a) 

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- b) 

---
- c) 

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4) Have you ever used any of the city's existing housing programs or services? ☐ Yes ☐ No

If yes, which ones?

- a) 

---
- b) 

---
- c) 

---

5) The State of California requires local jurisdictions to address the following issues related to housing need. Please rate these issues as either "VI" (very important), "SI" (somewhat important), or "NI" (not important).

☐ preservation of existing housing  
☐ incentives for new development  
☐ energy conservation  
☐ housing for single-parent households  
☐ housing for the disabled  
☐ housing for the elderly  
☐ housing for minorities  
☐ housing for low-income persons  
☐ housing for the homeless  
☐ other (explain) \_\_\_\_\_

If you would like to take this questionnaire home with you to complete, please mail your comments to :

Laura Hudson  
Director of Planning Services  
Michael Brandman Associates, Inc.  
411 W. 5th Street, Suite 1010  
Los Angeles, CA 90013

w/HEques1

# WORK SCHEDULE SANTA MONICA HOUSING ELEMENT UPDATE EIR

PHASE/TASK

MONTH

Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept
------	-----	-----	-----	-----	-----	-----	-----	-----	-----	------	-----	------

## I. ANALYSIS OF EXISTING CONDITIONS & TRENDS

1. Data Collection & Survey \_\_\_\_\_
2. Community Meeting \_\_\_\_\_ ▲
3. Community Profile Report \_\_\_\_\_

## II. GOALS, POLICIES, OBJECTIVES

1. Review Adopted Goals & Policies \_\_\_\_\_
2. Evaluate Existing Programs \_\_\_\_\_
3. Policies and Programs Report \_\_\_\_\_
4. Planning/Housing Commission Study Session \_\_\_\_\_ ▲

## III. DRAFT HOUSING ELEMENT

1. Screencheck Draft \_\_\_\_\_
2. Staff Review/Revisions \_\_\_\_\_
3. State HCD Review \_\_\_\_\_

## IV. EIR \_\_\_\_\_

## V. HEARINGS & ADOPTION

1. Response to State Comments \_\_\_\_\_
2. Housing Commission \_\_\_\_\_ ▲▲
3. Planning Commission \_\_\_\_\_ ▲▲
4. City Council \_\_\_\_\_ ▲▲

## VI. FINAL HOUSING ELEMENT & EIR \_\_\_\_\_



Housing Element Workshop  
November 9, 1988

Issues:

Group I:

- YV*
1. Preservation of Housing through low scale, R-1 development and adequate maintenance.
  2. Re-zone non-residential areas to allow residential in commercial zones. Programs which require replacement of units or inclusion of low income units in projects should encourage or require on-site replacement or inclusion rather than the payment of in-lieu fees.
  3. Expand affordable housing programs.

Group II:

- Caro*
1. Preservation of neighborhoods and the housing stock.
  2. Current in-lieu fees required under the Office Mitigation Program are too low and don't mitigate the impact of large office developments.
  3. Encourage programs for single persons.
  4. Encourage private sector participation in meeting housing needs.
  5. Increase density bonuses available for residential developments and reduce parking requirements.

Group III:

- John*
1. Encourage new housing to address existing needs.
  2. Bring Rent Control Board and housing density requirements into conformity.
  3. Disperse housing in City.
  4. Encourage ownership housing.

Group IV:

- Sal*
1. Encourage housing for families, single parent households, elderly, disabled and homeless.
  2. Encourage the development of new units by non-profit developers.

3. Establish a land banking program. Require land donations as mitigation for office developments.
4. Preserve housing through code enforcement.
5. Work towards a jobs/housing balance. Establish higher in-lieu fees for commercial mitigation and the residential inclusionary programs.
6. Encourage on-site daycare in developments.
7. Increase density bonus for affordable housing.
8. Encourage energy conservation.

:hework

SMALL GROUP DISCUSSION - JEFF MUDRICK

GROUP'S PRIORITIES:

1. ENCOURAGE PRESERVATION OF EXISTING LOW SCALE AND SINGLE FAMILY BUILDINGS IN MULTIFAMILY NEIGHBORHOODS; ENCOURAGE BUILDING MAINTENANCE
2. REDUCE DEVELOPMENT PRESSURE ON EXISTING MULTIFAMILY ZONES BY ENCOURAGING RESIDENTIAL DEVELOPMENT IN EXISTING COMMERCIAL ZONES THROUGH REZONING OR INCENTIVES; REQUIRE ON-SITE HOUSING MITIGATION FOR OFFICE PROJECTS
3. EXPAND AFFORDABLE HOUSING PROGRAMS, SUCH AS WORK OF COMMUNITY CORPORATION, TARGETING LOW INCOME HOUSEHOLDS

Other Random Notes:

- DS Expand work of CCSM  
Create incentives for development of new housing  
Encourage housing preservation; discourage Ellis Act removals  
Expand low income housing opportunities
- SS Encourage preservation of existing housing  
Expand housing opportunities for homeless
- MF Encourage preservation/rehab, particularly of single family  
Provide housing for homeless families  
Expand programs for low income elderly
- LR Provide housing for homeless  
Encourage group housing for elderly  
Expand affordable housing programs for low income households  
Preserve neighborhood character  
Preserve single family residences in multifamily zones  
Encourage energy conservation
- JH Encourage rehabilitation of deteriorating stock  
Reduce overcrowding in Pico neighborhood  
Disperse new affordable housing throughout the city  
Encourage development of affordable housing by developers in addition to CCSM
- KH Eliminate in-lieu option in inclusionary housing  
Expand Community Corporation activities  
Develop programs to assist low income, particularly elderly
- S\_ Expand housing trust fund programs  
Limit density bonuses to projects which fit into surrounding neighborhood  
Encourage energy conservation  
Preserve single family residences in multifamily zones, particularly SFR's owned by low income elderly--encourage use of RAMs

HOUSING ELEMENT UPDATE WORKSHOP: 11/9/88

Notes on small group discussion

Group facilitator: Jack Gardner

1. Target populations identified (no order of priority):
  - A. Families, especially single parents with children
  - B. Elderly
  - C. Disabled
  - D. Homeless
  
2. Housing Problems Identified:
  - A. Lack of affordable rental housing, especially for target populations identified above
  - B. Poor condition of existing affordable housing stock
  - C. Rapidly increasing cost of land
  - D. Poor accessibility/adaptability of housing for disabled
  - E. Homelessness
  
3. Suggested Programs & Policies:
  - A. Increased development of affordable rental housing, especially through non-profit sector
  - B. Land-banking: immediate purchase of properties for development with affordable rental housing at a later date
  - C. Requiring developers to provide land for affordable housing development as a condition of developing projects in Santa Monica
  - D. Increased density bonuses for affordable rental housing
  - E. Higher in-lieu fees for both Program 12 and the Office Mitigation Program
  - F. Aggressive enforcement of housing, building, and health and safety codes
  - G. Increased accessibility/adaptability requirements in local zoning code
  - H. Increased efforts to assist the homeless
  - I. Encouragement of day-care facilities being developed in new housing developments

:workshop



## SMALL GROUP DISCUSSION - CAROL ANDERSON

### GROUP PRIORITIES

- 1) Preserve existing housing in neighborhoods
- 2) Increase affordable housing in neighborhoods by increasing density bonuses
- 3) Encourage development of affordable housing by private developers
- 4) Encourage housing opportunities for single individuals
- 5) Encourage mixed use projects by private developers

### CONCERNS BY INDIVIDUAL IN GROUP

- DG - Increase funding of Housing Trust Fund programs to increase affordable housing in neighborhoods.
- Either increase Office Mitigation Program in-lieu fees and require on site housing - neighborhoods suffer from increased traffic from office developments.
  - Concern with deterioration of housing in neighborhoods, especially the Pico Neighborhood, need programs to preserve and rehabilitate this housing.
- JF - Need to preserve existing housing .
- Strengthen protection of existing tenants from displacement through the Ellis Act and owner occupancy eviction.
  - Expand programs to create affordable housing for single individuals.
  - Increase office mitigation program fees. Current fees are inadequate to mitigate the adverse effects of office developments.
- JJ - Preserve existing housing.
- Increase opportunities for private developers to develop higher density projects for affordable housing.

:discuss

Housing Element Update  
November 9, Community Meeting  
Small Group Discussions

John Read's Group

This group resisted answering the questionnaire methodically. Instead, people just started naming issues that concerned them. The following issues emerged:

- o Conflicting laws regarding bootlegged units: Group pointed out that City gives its citizens a mixed message insofar as the Building Department outlaws bootlegged units that do not meet code, while Rent Control prohibits their removal. The group wants to hear a consistent message from the City.
- o Owner/Renter Mix: Some members of the group asserted that property owners provide greater stability and permanence than renters. Because stability and permanence are desirable to the community, ownership should be promoted.

One person pointed out that, in the Pico neighborhood (where most people in this group were from) the largely renting population has been very stable.

- o Evenly distributed densities: The group felt strongly that no one area of the City should bear a disproportionate burden of high densities or affordable housing. Their solution is a uniform, medium density throughout the City.
- o Preferential system for new affordable housing: When new affordable housing is built in a given neighborhood, there should be a way of making the housing available to local residents of the neighborhood first, before opening it up to the entire City or beyond.
- o Overcrowding: Building and safety codes should be enforced to prevent overcrowding.
- o Housing the homeless: Housing "involuntarily" homeless people is desirable; housing "voluntarily" homeless people-- bums, drunks--is not desirable.

- o Rent control and low income persons: Rent controlled units should only be available to people who need them.

In rating the issues in question #5, the group identified the following issues as very important:

- o Preservation of existing housing
- o Incentives for new development
- o Housing for the elderly

...As somewhat important:

- o Energy conservation
- o Housing for the disabled
- o Housing for the homeless

w/hecommtg

JWR:gw



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